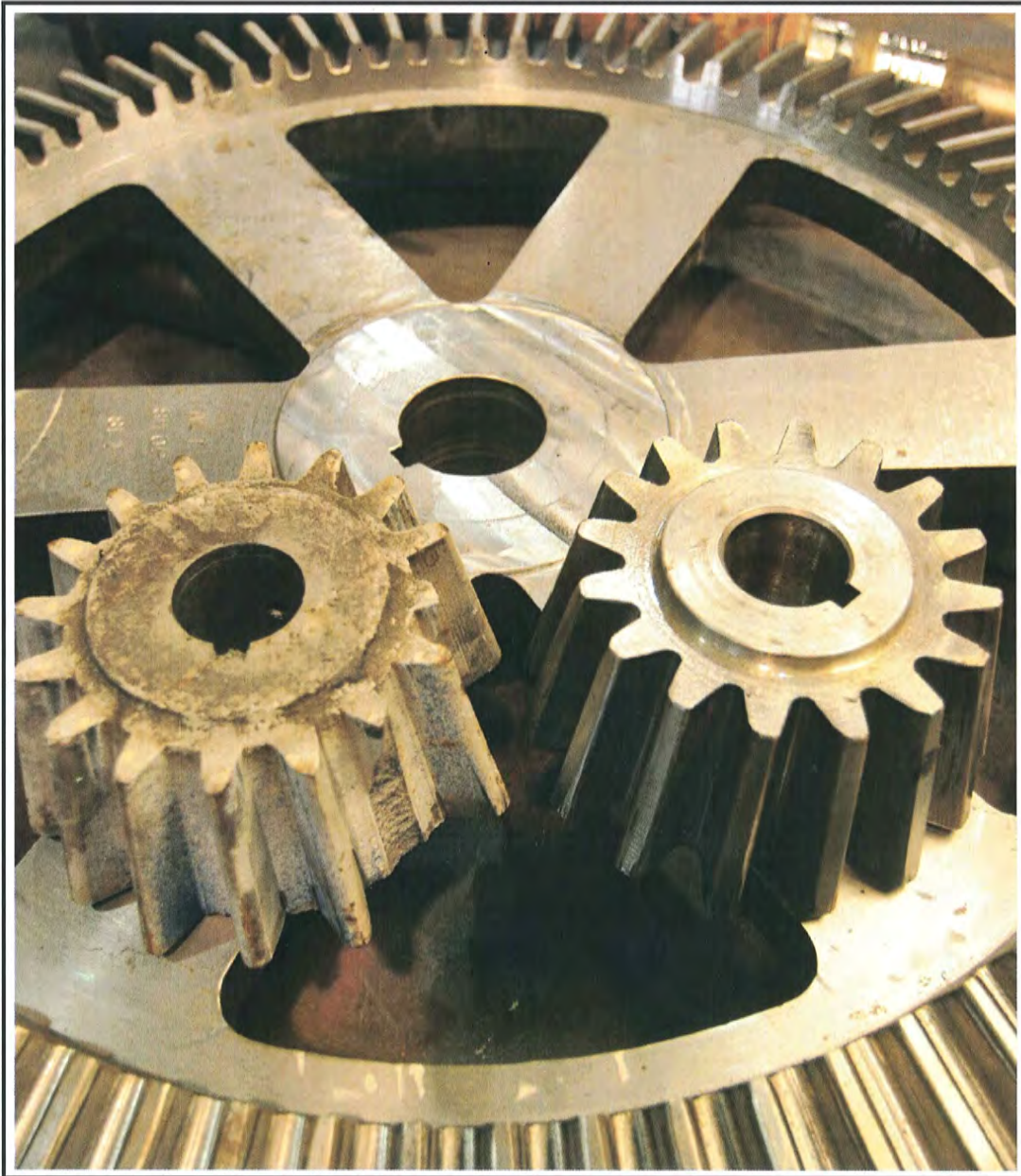




# **Sewerage and Water Board**

**OF NEW ORLEANS, LOUISIANA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2012**

#### About The Cover

The Facility Maintenance Department fabricates, in-house, gears of various dimensions and specifications to accommodate the many different size valves that are used throughout the water and sewer systems. Valves are used to isolate leaks or reroute water or sewage while repairs are being done to the piping system. The fabricated set of gears are mounted on the exterior of a valve to aid operation of the valve. The small gear driving the large gear provides a torque ratio that enables the valve to be opened or closed using different means, such as a hand wheel or an electric or hydraulic automatic valve machine like those mounted on the Board's valve trucks. The staff fabricates many parts no longer manufactured or too expensive to out-source.

# **SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**Comprehensive Annual Financial Report  
For The Year Ended  
December 31, 2012**

**Prepared by:  
Finance Administration  
Ethel H. Williams  
Finance Administrator**

## **Mission, Vision, and Values**

***Our mission*** is to provide safe drinking water to everyone in New Orleans; to remove waste water for safe return to the environment; to drain away storm water; to provide water for fire protection; to provide information about products and services; and to do all of this continuously at a reasonable cost to the community.

***Our vision*** is to have the trust and confidence of our customers for reliable and sustainable water services.

***We believe in these values*** as the foundation for how we will perform our mission and pursue our vision:

- We will focus on our customers and stakeholders.
- We will treat each customer and employee with dignity and respect.
- We will value each employee, their work, and their commitment.
- We will be truthful, trustworthy and transparent.
- We will be knowledgeable and diligent in the performance of our duties.
- We will use financial resources prudently.
- We will be accountable for our performance.
- We will continuously improve our performance.
- We will ensure that the systems that provide our services remain viable for future generations.
- We will remain on the job and will be prepared for storms and other risks.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

Comprehensive Annual Financial Report  
Year ended December 31, 2012

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# INTRODUCTORY SECTION

New Orleans' only source of potable water is the Mighty Mississippi River. Raw water is brought into two treatment plants by four intakes like the one shown here. The intakes are protected from ships and barges by concrete barriers and wooden pilings. The water is then treated via a complex purification process at the Carrollton Water Purification Plant for East Bank customers and at the Algiers Water Treatment Plant for West Bank customers.

In 2012, the Carrollton Plant provided an average of 138 million gallons of drinking water per day to a population estimated to be about 304,474 people. The Algiers Water Plant provided an average of 11 million gallons to a population estimated to be about 53,578 people. The treatment process at each plant is similar. The Sewerage and Water Board takes great pride in providing the citizens of New Orleans with a constant supply of high quality drinking water.

The men and women of the Board are at work 24 hours a day, seven days a week to produce the water and distribute it through 2,000 miles of pipes, mains and 143,600 service connections. The water is also carried at high pressure to approximately 17,000 fire hydrants for fire-fighting purposes.



Above Ground Tunnel? Actually, it's view of the inside of a 60-inch corrugated pipe used as a temporary drain line to move storm water around areas where new box canals are being built-- In this case, near Monticello Avenue at South Claiborne Avenue. The work consists of constructing approximately 2,500 linear feet of single-barreled reinforced concrete canal under the median along South Claiborne Avenue from Monticello Avenue to Leonidas Street. The new canal will parallel an existing canal and tie in to the existing Monticello Canal. Cost is \$27.1 million and the completion date is mid-2014. The project is part of SELA, a cooperative agreement between the S&WB and the U.S. Army Corps of Engineers.





"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21<sup>ST</sup> CENTURY"

# Sewerage & Water Board OF NEW ORLEANS

MITCHELL J. LANDRIEU, *President*  
WM. RAYMOND MANNING, *President Pro-Tem*

625 ST. JOSEPH STREET  
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52W-ATER  
[www.swbnola.org](http://www.swbnola.org)

May 9, 2013

TO: THE HONORABLE PRESIDENT AND MEMBERS OF THE  
SEWERAGE AND WATER BOARD OF NEW ORLEANS

We are pleased to present the Comprehensive Annual Financial Report of the Sewerage and Water Board of New Orleans for the year ended December 31, 2012. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest solely with the Sewerage and Water Board. It is our belief that the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position, results of operations, and cash flows of the Board's Enterprise and Pension Trust Funds. All disclosures necessary to enable the reader to gain an understanding of the Sewerage and Water Board's financial activities have been included.

## COMPREHENSIVE ANNUAL FINANCIAL REPORT SECTIONS

The Comprehensive Annual Financial Report is presented in four (4) major sections: Introductory, Financial, Statistical and Supplemental. The Introductory Section includes the transmittal letter and listings of the officers, members and committees of the Board of Directors. This section also includes the Board's organizational chart and a reproduction of the 2011 Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. The Financial Section includes the independent auditors' report, along with the basic financial statements, required supplementary information, accompanying notes and other supplementary information. The individual fund statements for the Enterprise and Pension Trust Funds are included. Required supplementary includes management's discussion and analysis and a schedule of pension funding progress and contributions. The Statistical Section includes selected financial and demographic information, generally in a multi-year presentation. Additional information relative to the Sewerage and Water Board's operations is included in a Supplemental Section.

The independent audit of the financial statements of the Sewerage and Water Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Sewerage and Water Board's separately issued Single Audit Report.

The Sewerage and Water Board meets the criteria for classification as an "other stand-alone government" as described in Governmental Accounting Standards Board Statement No. 14. The reporting entity includes the Enterprise Fund and the Pension Trust Fund. The Enterprise Fund is composed of three (3) independent systems: Water, Sewerage and Drainage.



GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Sewerage and Water Board's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

Sewerage and Water Board of New Orleans is a political subdivision created in 1899 by Louisiana State Statutes. The Board is charged with construction, operation, and maintenance of Water, Sewerage and Drainage Systems for the City of New Orleans. By agreement, approximately 2,550 acres of adjoining Jefferson Parish is served by the Board's drainage facilities for which Jefferson Parish pays its pro rata share of expenses. In addition, the Board provides sewerage services to Jefferson Parish businesses the majority of which are restaurants located in the West End neighborhood near the Lakefront. Additionally, the Board provides water and sewerage services to the Plaquemines Parish Industrial Park. The Sewerage and Water Board was established as a "special board" operating independently of city government. The Mayor of New Orleans serves as the President of the Board of Directors which is composed of three (3) representatives of the City Council, two (2) representatives of the Board of Liquidation, City Debt and seven (7) appointees as designated by the State statutes.

## ECONOMIC CONDITION AND OUTLOOK

The Board's service area includes the Civil Parish of Orleans in the state of Louisiana and covers 364 square miles. Based on the 2010 census, the population of Orleans Parish was 369,250. Major industries include tourism, oil and gas, transportation, health and other services, such as legal, education and entertainment.

According to the December 2012 issue of the Metropolitan Report, Economic Indicators for the New Orleans Area (UNO Report) total employment increased slightly by 0.4% or by approximately 2,000 jobs year-to-date. Substantial job losses in some industries, such as construction, manufacturing of transportation equipment, and retail trade, were offset by employment gains in other industries, such as leisure and hospitality, educational services, and professional and business services. While the overall employment gains in New Orleans were down from the second quarter in 2012 (-0.7%), the gradual upward trend from the first months offset the losses during the most recent months.

Employment growth in the New Orleans area for the next two years parallels that of the nation. By the end of 2014, the area will have approximately 527,000 jobs, reaching figures seen in 2008, according to the UNO report (See Figure 1).

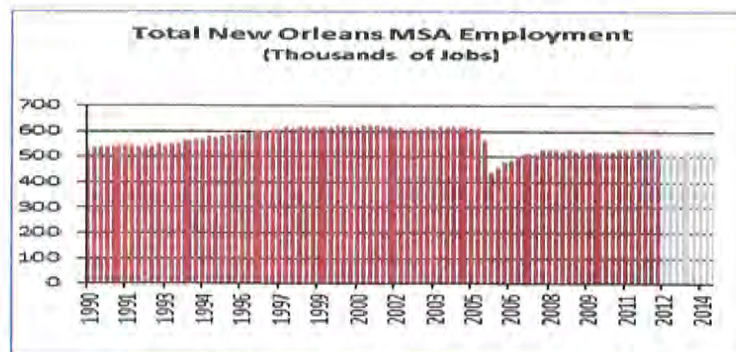


FIGURE 1

### Year to Date

Total employment in the area grew by nearly 2,000 jobs or 0.4% compared to last year. Industries with the strongest employment gains in New Orleans year-to-date include leisure and hospitality, private educational services, and professional and business services.

Employment increased by about 3,500 jobs or 5% in the leisure and hospitality industry over last year, with nearly 3,200 new jobs added in the food services and drinking places sector, and nearly 2,100 or 11% new jobs were added across the area. In the professional and business services industry, about 1,600 jobs (2%) were added over the past year, where the highest increase occurred within the professional and technical services (700 jobs) and management of companies (500 jobs).

Other industries experienced moderate growth in the New Orleans area over the past year. In health care and social assistance, an increase of 2% brought over 1,000 to area hospitals and ambulatory health care.

### Unemployment

The unemployment rate in the New Orleans area has decreased slightly to 7.4%. Like the downward trend in continued unemployment claims throughout the U.S., year-to-date claims in New Orleans over the year have substantially decreased (-19%), per the UNO report.

According to the report, local initial unemployment claims increased by 36% over the same quarter last year due to the effects of Hurricane Isaac. Continued unemployment claims, an indicator which is less volatile, decreased by 21% over the same time period. The decrease in unemployment rate and reduction of continued unemployment claims may indicate that some people are exiting the labor force as job growth remains low in the area. Despite some increases over the past year, the unemployment rate in New Orleans metro area has consistently remained below the national average since after Katrina (See Figure 2).

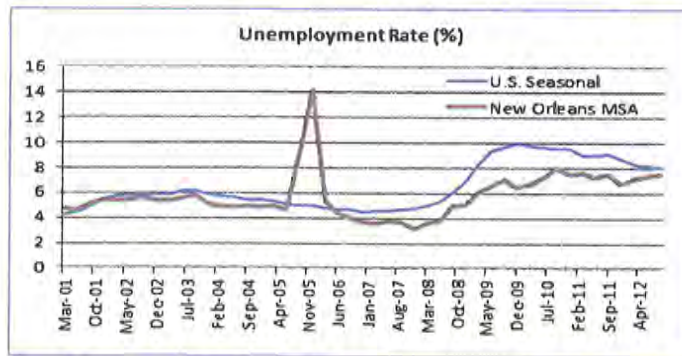


FIGURE 2

### Oil and Gas Production

Production of oil and natural gas in Louisiana provides a number of jobs for residents of the New Orleans area and generates revenues that benefit the local economy. Year-to-date oil production increased by 4%, while it decreased by 2% over the last quarter. Oil production has been gradually trending upward since a recession-related drop in 2008. Current oil production is at about 80% of the production level observed prior to Katrina, according to the report.

### Construction

The New Orleans MSA construction industry has been driven primarily by non-residential and non-building contracts since 2007. Year 2012 was no different than prior years. In 2007, non-residential construction activity, which includes the construction of commercial buildings and refineries, dominated the local construction market due to a large expansion at Bayou Steel in St. John parish. From 2008 through 2010, non-building construction, such as roads, bridges and flood control projects, generated



higher-valued contracts than other types of construction activity. In 2011, non-residential contracts represented a higher share of the market due to high-budget projects such as the expansion of the Valero oil refinery in St. Charles parish. For 2012, contract awards have increased in the non-building category, which was up about 23% over 2011. The increase in non-building construction in the New Orleans metropolitan area was primarily driven by projects such as the expansion of the Huey P. Long Bridge (\$1.2 billion), and extensive repairs of streets in New Orleans.

Both non-residential and residential contract awards were down 31% and 7%, respectively from 2011. Despite this decrease, it should be noted that the level of residential and non-residential projects was still high compared to the construction levels present from 2008 to 2010. Some important non-residential projects in 2012 were the opening of new public schools in the metro area (\$1.8 billion), rebuilding of public housing, and reconstruction of the University Medical Center (1.09 billion). Other non-residential projects were the construction of the Veterans Affairs Hospital, expansion of the National WWII Museum and that of the Port of New Orleans.

### **Tourism**

During the first half of 2012, the New Orleans tourism industry continued to attract more visitors than the previous year, a trend that has persisted since 2007. About 4.94 million visitors came to the New Orleans area in half year 2012, marking a 2% increase over the 4.84 million visitors who came during the same period in 2011. Spending estimates were up 11% over last year's figures, an increase from \$3.11 billion to \$3.45 billion, according to the UNO Report.

Greater visitor spending in the New Orleans metropolitan area results in additional tourism-related employment opportunities for local residents. Between 2006 and 2011, roughly 15,000 tourism-related jobs were added. Year-to-date 2012, another 3,000 jobs were generated in the local tourism industry. In first three quarters of 2012, hotel sales were up 13% over the same period last year.

### **Population**

Since 2006, population has been steadily increasing in the New Orleans MSA. Over the past year, the population grew by 0.8% (9,000 new residents). With approximately 1.2 million residents, the current population estimate stands at 88% of the pre-Katrina population; as a result of migration to suburban areas since Katrina, a greater proportion of the population now resides in Orleans parish. The population in Orleans Parish is 74% of what it was prior to Katrina, while the current population in remainder New Orleans MSA Parishes has reached 97% of its respective pre-Katrina population.

## **WATER MAJOR INITIATIVES**

### **Carrollton Water Purification Plant**

- Construction of the new sodium hypochlorite storage and feed facility, financed through the State Revolving Loan Program and \$1,000,000 in ARRA stimulus fund, is near completion. The project shall eliminate the need for 55-ton rail cars of chlorine and reduce the risk of exposure to staff, the community and environment.
- A permanent sodium hypochlorite facility at the Sycamore Filter backwash chlorination system needs to be installed. This project will eliminate the storage of one-ton cylinders of chlorine on site and reduce the risk of exposure to staff, the community and environment to a toxic chlorine release.
- Staff is overhauling the flocculation-sedimentation basin G4 by replacing the gearboxes in the flocculation drive system, upgrading the mono-rake system and replacing the sludge piping to increase the sludge removal efficiency.
- Outstanding repairs required for Sycamore and Claiborne filters, damaged or plugged venturi plumbing and repair/replacement of the pump infrastructure.

- Design is slowly progressing on a second sludge line to the river. This will add redundancy and flexibility to the operations.

#### **Water Quality Laboratory**

- Staff is working with the vendor to resolve software and operating system compatibility on the new TOC analyzer. Routine monitoring of the TOC removal through the treatment process has been implemented and progress is being made toward state certification.
- Corrosion control monitoring program: Data collection continues to gauge the effectiveness of the treatment processes and any process change on corrosivity. The program includes installation of corrosion pipe loops at both plants and routine phosphate monitoring initiated in early 2012.

#### **Algiers Water Purification Plant**

- Chlorine contact tanks are needed as a long-term solution for meeting contact time. Staff is also working with the vendors to resolve the problems in the sodium hypochlorite generation system. Hypochloride was purchased to meet the daily needs for disinfectant.
- New anhydrous ammonia feed system is in service supporting plant operations.
- A chemical piping trough to house piping from the permanent ferric sulfate storage and feed facility to Eimco 3 and 4 is in design. The facility currently serves only the Eimco 2 clarifier.

#### **Water Pumping & Power**

- The total capacity of the plant is at present 26 MW. Turbine 1 (6 MW) was retrofitted with a new governor in 2012. Turbine 3 (15 MW) was placed out of service for emergency repairs in late October 2012 and is expected to return to service in March 2013. The \$12.8 M project for repairs to Turbine 4 (20 MW) was awarded in November 2011 to replace the steam path, rotor and condenser, install 8 transmitters, update the governor control system and replace the 25 Hz motor on the condensate pump. The design of the repairs to Generator 4 is underway and expected to be repaired by mid-2014. At that time, Turbine 4 shall be returned to service. Turbine 5 (20 MW) is operating on natural gas with diesel backup.
- Turbine 6 (15 MW) is currently in construction. The federally funded project was awarded in November 2009 and is scheduled for completion by early 2013. The unit was successfully tested October-December 2012. The new turbine-generator is for emergency 60 Hz power when commercial power is not available.
- The \$2.8 M project to replace boiler pre-heater at the power complex was awarded in November 2011. The project is scheduled to be complete by mid-2013.
- The New River Intake Station is operational and has sufficient capacity to supply the raw water requirements for the Carrollton Plant. One of the three pumps has been refurbished. The FEMA project to repair/replace the suction, discharge and check valves on Pump No. 1 is scheduled to be complete by mid-2013.
- The Oak River Intake Station currently has pumps "B", "C" and "D" available for back up to the New River Station or if additional pumping capacity is required.
- The three high lift pump stations are operational. The Claiborne High Lift Pump Station has two pumps driven with 25 Hz electric motors and two with 60 Hz electric motors. Pump No. 4, a 25 Hz driven pump is in service and utilized for emergency use only, requires repairs to the check valve. In addition, there are two pumps driven by the DeLaval steam turbines located at the power plant, which offer reliability in unison with the electric driven Claiborne Pumps. FEMA is funding the \$12.7 M reconditioning of both pump-turbine packages. One of the DeLaval steam driven distribution pump and turbine is currently undergoing reconditioning. The Panola Street High Lift Pump Station serves as a backup in the event of an emergency or to offer additional pumping during maintenance outages. FEMA also funded the addition of a 60 HZ motor to Pump No. 2 at Panola. This provides a redundancy source of power and



permits the pump drive to be either 25 or 60 cycle. The project awarded in January 2012, shall be complete by mid-2013.

- The \$32.6M FEMA project to mitigate the impact of water hammer in the distribution system by replacing the pumps at Claiborne Pump Station and the Panola Pump Station with variable speed pumps and slow opening/closing valves with battery backup is under design. Design shall be complete by early 2014.
- Corps storm proofing projects are in construction at the power plant, the Oak River and New River Intake Stations, and the building housing the frequency changer.
- The Retrofit Power Plant Hazard Mitigation Project Phase I award of \$19.3 M was issued November 2012. Procurement of the design consultant for the associated facilities: power plant, Oak Street Raw Water Intake and Pump Station and the Board's power network on the East Bank is underway.

### **Water Distribution System**

- In 2011, Echologics began providing system wide leak detection services for the distribution system in water mains for repair or replacement in advance of construction activities planned by various agencies and to facilitate emergency maintenance activities. Leak detection activities are funded by FEMA and support the water line replacement program. To date, 2232 leaks in the distribution system have been identified for repair.
- Over 14,000 work activities occurred in the water system in 2012. These included 290 water leaks investigated, 2,130 water valves inspected, and repairs to 10,238 water services lines, 1,793 water mains, 830 valves, 1,035 fire hydrants and 26 water manholes. Also, 18,768 water meters were installed, removed or reset.
- Preventative maintenance of fire hydrants is continuing in coordination with the local fire department. Of the 16,500 fire hydrants mapped, the Board performed preventative maintenance for 2,985.
- The Board is continuing to coordinate with Department of Transportation and Development (DOTD) and Department of Public Works (DPW) to repair or replace water lines associated with the Submerged Roads Program and other roadway repair projects. FEMA has to date obligated \$31 M for water line replacements. Increased coordination includes embedding DPW staff at the Carrollton Plant.

## **SEWERAGE SYSTEM MAJOR INITIATIVES**

### **East Bank Wastewater Treatment Plant**

- A new \$2.1 M administration/laboratory building is under construction and shall be completed by early 2013. The laboratory analyses are being performed off site, while the administrative offices are being housed in office trailers.
- Major upgrades to the East Bank plant's headworks occurred in 2012. This included rehabilitation of three of the six bar screens; rebuild of both process air blowers; rehabilitation of two grit pumps and grit screw mechanisms, and rehabilitation and calibration of the grit automation system.
- The new Vacuum Swing Adsorption oxygen production plant has been on-line since July of 2011. Cost savings of \$978,397 was realized for 2012 as compared to 2010 liquid oxygen expenses for the same dissolved oxygen production levels in the secondary treatment oxygen reactors.
- Several repairs were made to the fluidized bed incinerator (replacement of the main heat exchanger, expansion joint, and rehabilitation of the refractory wall and dome). Also the Continuous Emission Monitoring System (CEMS) received a major overhaul and upgrade with the installation of a Sulfur dioxide analyzer.
- The new sludge dryer is currently in design and is expected to be advertised in the first quarter 2013. The project includes the procurement and installation of a ten (10) dry ton per day sludge dryer to blend into the existing sludge stream prior to incineration. The resulting sludge quality will be greater than 33% Total Solids (TS) allowing for an autogenous burn, which will require fuel only for start-ups.

- Influent TSS and BOD concentration are approx. 115 milligrams per liter (mg/L) and 88 mg/L, respectively. Hurricane Isaac has contributed to the lower than normal concentrations as a result of a inflow infiltration in the collection system. Effluent quality has been good with only one exceedence, a daily fecal coliform permit violation occurred in September 2012. A process overflow occurred during the power outages caused by Hurricane Isaac in August 2012. The East Bank plant has again earned the Silver Award for environmental compliance from the National Association of Clean Water Agencies.
- The new 4-MW diesel generator (\$2.8 M) purchased in August 2009 to provide backup power for the wastewater treatment plant was installed in the new generator building (\$8.4 M). The generator was placed on-line in November 2012.
- The Central Wetland Assimilation project is under construction and expected to be completed in mid-2013. Two 8-acre cells are being filled with dredged materials. One of cells will be mixed with neutralized and disinfected biosolids from the treatment plant. 164,000-gallons per day of ferrated (disinfected) effluent will be distributed to the two cells until soil salinities within each cell near 3 part per thousand at which time seedlings of wetland tree species will be planted.
- The construction of a +17'MSL \$24.4 M earthen/structural berm was awarded March 2012 and is scheduled to be completed by late 2013.

#### **West Bank Wastewater Treatment Plant**

- Rehabilitation of two of the four final clarifiers' center column and flocculating feed well at the treatment plant were completed in 2012.
- Major overhauls were completed to the effluent pumping system, including replacement of the rotating units for the two larger 12-MGD pumps.
- Treatment was exceptional with zero permit violations or process overflows in 2012 (actually none in ten years). This treatment plant has again earned the Gold Award form the National Association of Clean Water Agencies.
- Major rehabilitation of the two trickling filter main feed pumps were completed.
- Major safety improvements were completed with replacement of the north primary clarifier center walkway and improvements in the chlorine handling and emergency shut off systems.
- Design of a new sodium hypochlorite system was completed. This conversion will eliminate the use of gaseous chlorine and provide for major safety improvements.

#### **Central Yard**

- Construction of a new Annex Building was awarded in February 2012 and is scheduled for completion in March 2013.
- Repairs to the Administration Building was awarded in December 2011 and completed in September 2012. The repairs included replacing all the windows and improvements to the first floor areas damaged by floodwaters.
- A new \$1.8 M site relocation facility was awarded in April 2012 and shall be complete by late summer 2013. The facility shall allow for the temporary relocation of staff and equipment from Garages 1 and 2, the machine and mill, body and tire shop while repairs are being made to those facilities.

#### **Sewage Pumping and Lift Stations**

- All the sewer pump stations are operational. The stations have undergone rehabilitation, i.e., electrical repair, pump bearing replacement, pump repair and flood proofing. FEMA funded repairs to 61 East Bank sewer pump stations (SPS). Only SPS 15 at \$2.2 M is in construction from December 2011 to April 2013.
- Design funded by hazard mitigation grant is continuing in the elevation of nine sewer pump stations. The projects are scheduled to advertise in the early 2013.

#### **Sewer Collection System**

- Three sewer rehabilitation construction projects in the Lower Ninth Ward were awarded and will continue through the first quarter of 2013. The projects are being financed through the State Revolving Loan Program.
- Design projects are continuing for multiple point repair and replacement of sanitary sewers in the Carrollton, Lower Ninth Ward, Mid-City, New Orleans East and South Shore areas. Construction projects shall be completed by 2015.
- Construction projects for replacement of sewer mains from manhole to manhole for various sites throughout Orleans Parish were awarded.
- The Board is continuing to coordinate with DOTD and DPW in repair of sewer lines associated with the Submerged Roads Program, SSERP, ESSA and other roadway repair projects as well as routine reconstruction and maintenance.
- Emergency Sewer System Assessment (ESSA), financed by FEMA, continues to locate and repair or replace sewers line on the East Bank.
- Preventative maintenance of the collection system included inspection of 1,055,970 feet of sewer line utilizing closed circuit television and smoke testing, cleaning 1,387,184 ft., inspection of 8,738 sewer manholes and repairs to 1,526 sewer breaks. Thirty-four air release valves were inspected and maintained and 168 force main isolation valves were inspected and exercised. Alignment inspection of 392 miles of the force main was also accomplished.
- Cathodic protection survey is performed annually on the 22 systems in place in the collection system. Repairs to the cathodic protection systems damaged as a result of Katrina are ongoing. The project shall be complete by the first quarter of 2013.

## **DRAINAGE SYSTEM MAJOR INITIATIVES**

### **Pump Stations**

- All 24 drainage and 12 underpass pumping stations have been maintained and are operational. Most motors have been rewound and are in service.
- The Corps has committed \$204 M for storm-proofing projects. In April 2011, a \$23.8 M project to install two new 300 cfs pumps and a generator at DPS 5 was awarded and shall be completed by June 2013. In July 2010, a \$10.9 M project was awarded to construct a new generator building at DPS 20 and perform facility upgrades to DPS 3 and 6, and is scheduled for completion in January 2013. In July 2010, a \$16.6 M project was awarded to construct a new generator building at DPS 7 and shall be completed by April 2012. In September 2010, a \$16.0 M project to construct a new generator building at DPS 13 was awarded for completion by December 2012. In December 2010, a \$15.9 M storm-proofing project for DPS-1, 2, 3, 19 and I-10 was awarded and shall be completed by third quarter 2013.
- The federally funded \$19.3 M expansion of Dwyer Road Pumping Station from 125 cfs to 1000 cfs shall be complete by early 2013.
- The Corps design build of three new permanent pump stations at 17<sup>th</sup> Street, Orleans and London Canal at Lake Pontchartrain is expected to be awarded in 2013. The \$804 M project would provide both frontal protection and allow for easier and more efficient pumping of water to the Lake.

### **Drainage System**

- Dwyer Road Intake Canal is under construction and scheduled for completion by February 2013. The \$58.8 M project is 100% federally funded and consists of 6,800 feet of new concrete boxed culvert into the Dwyer Road Pumping Station.
- Florida Ave. Canal Phase I is in construction from January 2010 to May 2013. The \$49.2 M project is federally funded and consists of an open concrete canal within the right of way between Mazant St. and DPS 19. Florida Ave. Canal Phases II and III from Peoples Ave. to Mazant St. are in design.
- Napoleon Ave. Canal Phase II is in construction from September 2011 through May 2015. The \$55.1 M project is 65% federally funded and consists of 4,300 feet of new concrete box canal along Napoleon



Ave. from South Claiborne Ave. to Carondelet St. Phase III from Carondelet St. to Constance St. is under design.

- South Claiborne Ave. Canal Phase I is in construction from September 2011 to July 2014. The \$27.1 M project is 65% federally funded and consists of 2,500 feet of new reinforced concrete canal paralleling the existing Monticello Canal. South Claiborne Ave. Phase II is in construction from June 2012 to April 2016. The \$27.8 M project is 65% federally funded and consists of 3,500 feet of reinforced canal under the median along South Claiborne Ave. from Leonidas St. to Lowerline St.
- SELA projects Jefferson Ave. Canal Phase I and II and Louisiana Ave. Canal, both from South Claiborne Ave. to Constance St. are in design.
- Louisiana DODT awarded in December 2009 a \$21 M drainage and flood control project on General Degaulle Dr. from Wall Blvd. to MacArthur Blvd. The project was completed December 2012.

## **FINANCIAL INFORMATION**

The Enterprise Fund's water and sewerage systems are financed by user fees. The unique characteristics of the services provided by the drainage System of New Orleans requires the use of Enterprise Fund accounting in order to obtain a meaningful measure of the cost of providing the services and capital maintenance. On November 14, 2012 the Board approved both sewer and water rate increases commencing January 1, 2013. The sewer and water rates increase approximately 10% each year until the year 2020. This increase was approved by the New Orleans City Council on December 6, 2012. Revenues from the three- (3) mill, six- (6) mill and nine- (9) mill ad valorem taxes, which are restricted exclusively for drainage services, finance the Drainage System. These ad valorem taxes are the operating revenues of the drainage system.

### **Budgetary Control**

The Sewerage and Water Board maintains an internal budgetary control through the preparation and monitoring of an annual operating and capital budget for the Water, Sewerage, and Drainage funds. Monthly budget reports are provided to department level managers to assist them in their fiscal responsibilities.

### **General Operations**

The change in net position for the year ended December 31, 2012 was an increase of approximately \$103.4 million, as opposed to an increase in net position of approximately \$92.2 million for the year ended December 31, 2011. The Board's total operating revenues decreased by 1.9% to approximately \$137 million, and total operating expenses increased by 1.8% to approximately \$51.6 million. Capital contributions from federal grants and construction of Board property was approximately \$93.7 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$34 million and approximately \$52.5 million of capital contributions by the Army Corps of Engineers. Operating and maintenance grants decreased in 2012 to \$7.6 million for operation and maintenance expenditures made during 2012 under the FEMA Disaster Public Assistance grant. Total operating expenses increased by approximately \$8 million or 4.7% compared to 2011 primarily due to an increase in depreciation expenses. In 2012, the Board placed several construction projects in service, which caused an increase of \$4.2 million or 12.2%, in 2012 as a result of fluctuations in estimates on uncollectible balances and recovery of accounts that were written off in prior years. Provisions for claims increased to \$0.3 million in 2012 as compared to 2011. Claims expense varies due to the number and severity of the claims during any period. The increase is primarily due to adjustments in overall claims reserve at year-end in addition to claims payments made during 2012.

### **Other Information**

State Statutes and covenants governing outstanding bond issues require an annual audit of the Board's financial records by independent certified public accountants. The accounting firm of Postlethwaite & Netterville was selected by the Board to perform this audit through a competitive bid process. The independent auditors' report on the basic financial statements is included in the Financial Section of the report. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sewerage and Water Board of New Orleans for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

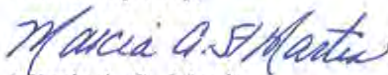
A Certificate of Achievement is valid for a period of one (1) year only. The Sewerage and Water Board of New Orleans has received a Certificate of Achievement for twenty-nine (29) years. We believe our current report continues to conform to the Certification of Achievement Program requirements and we are submitting it to GFOA.

### **ACKNOWLEDGMENTS**

The Comprehensive Annual Financial Report was prepared by the dedicated staff of the Director's Office, particularly the Finance Administration and Printing Department. Additionally, we realize that the cooperation of each Department of the Sewerage & Water Board of New Orleans is essential, and we appreciate the willingness to work together toward this endeavor.

We also wish to thank the members of the Board for their interest and support in our efforts to achieve greater fiscal efficiency and accountability.

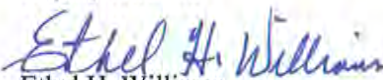
Yours very truly,



Marcia A. St. Martin  
Executive Director



Robert K. Miller  
Deputy Director

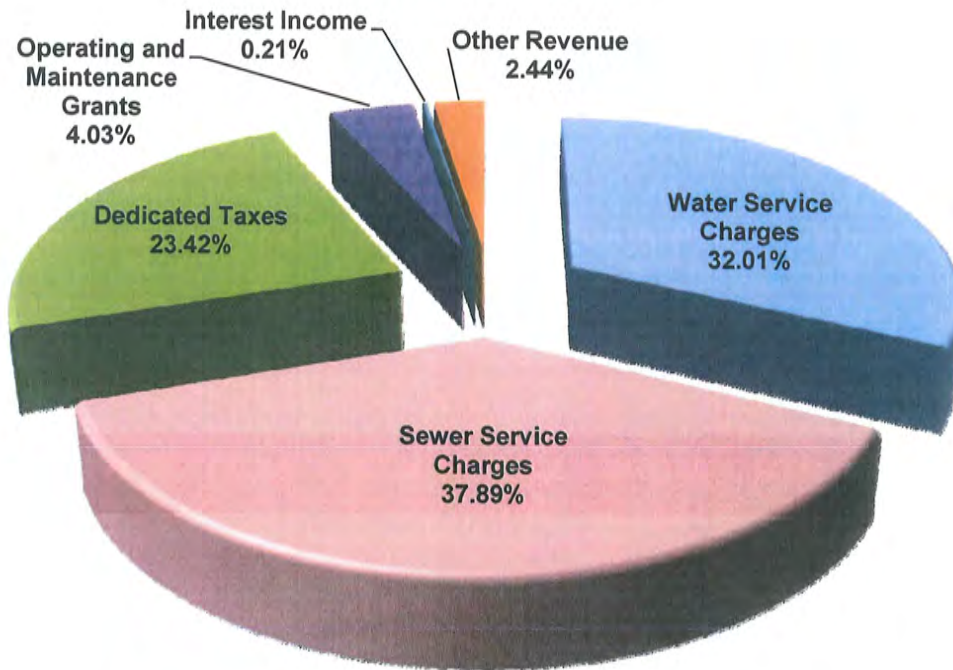


Ethel H. Williams  
Financial Administrator

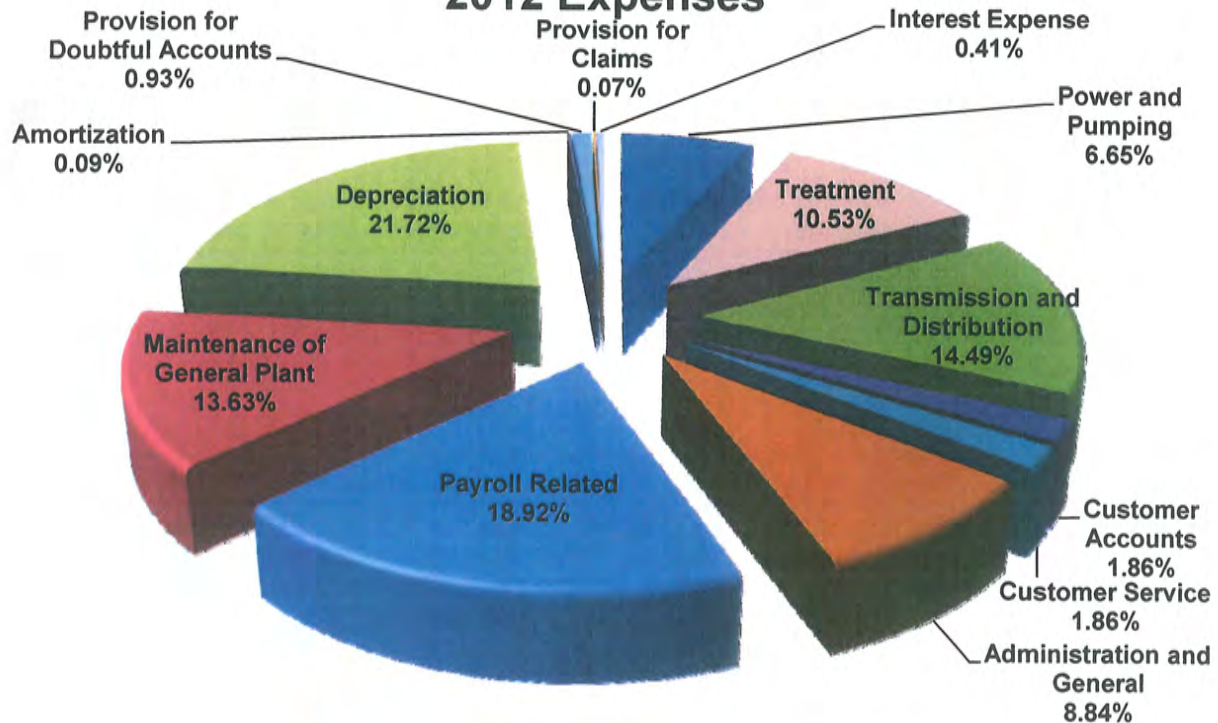


Sewerage and Water Board of New Orleans

## 2012 Revenue



## 2012 Expenses



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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sewerage and Water Board  
of New Orleans, Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrell*

President

*Jeffrey R. Enen*

Executive Director

Committee on  
Achievement  
for Excellence  
in Education  
Report

November 1993

President and Board  
of New York University

Enclosed for the President and Board

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Very truly yours,

Deborah M. Poff

Enclosed for the President and Board are two copies of the report of the Committee on Achievement for Excellence in Education. The report was prepared by the Committee, which was appointed by the President and Board in 1991. The report contains a detailed analysis of the current state of the University's academic programs and a set of recommendations for improvement. The report also includes a list of the members of the Committee and a list of the members of the subcommittees.

Enclosed for the President and Board

Very truly yours,

Deborah M. Poff



**OFFICERS  
of the  
SEWERAGE AND WATER BOARD  
OF NEW ORLEANS**

December 31, 2012

---

MITCHELL J. LANDRIEU .....	President
Mayor, City of New Orleans	
WILLIAM RAYMOND MANNING .....	President Pro Tem
MARCIA A. ST. MARTIN .....	Executive Director
ROBERT K. MILLER .....	Deputy Director
JOSEPH R. BECKER .....	General Superintendent
MADELINE F. GODDARD .....	Deputy General Superintendent
BRIAN FERRARA .....	Interim Special Counsel



**MEMBERS OF  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

December 31, 2012

---

MITCHELL J. LANDRIEU .....	Mayor
MARION BRACY .....	Council District D Appointment
STACY HEAD .....	Councilmember At-Large
KERRI KANE .....	Council District C Appointment
WILLIAM RAYMOND MANNING .....	Board of Liquidation Appointment
MARK M. MOODY .....	Board of Liquidation Appointment
KRISTIN GISLESON PALMER .....	Councilmember District C
GLEN PILIE .....	Council District A Appointment
FLORENCE W. SCHORNSTEIN .....	Council District B Appointment
VACANT .....	Councilmember
CHARLES F. WEBB .....	Council District E Appointment
BEVERLY WRIGHT, PhD .....	At-Large Appointment
LOYCE P. WRIGHT .....	At-Large Appointment

**COMMITTEES OF THE  
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

December 31, 2012

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**EXECUTIVE COMMITTEE**

MARK MOODY  
GLEN PILIE

WILLIAM RAYMOND MANNING – Chairperson  
FLORENCE W. SCHORNSTEIN  
CHARLES F. WEBB

**FINANCE AND OPERATIONS COMMITTEE**

STACY HEAD  
KERRI KANE

CHARLES F. WEBB – Chairperson  
WILLIAM RAYMOND MANNING  
LOYCE WRIGHT

**INFRASTRUCTURE COMMITTEE**

MARION BRACY  
KERRI KANE

FLORENCE W. SCHORNSTIEN - Chairperson  
GLEN PILIE  
BEVERLY WRIGHT, PhD

**OPERATIONS COMMITTEE**

MARION BRACY  
FLORENCE W. SCHORNSTEIN

MARK MOODY, Chairperson  
BEVERLY WRIGHT, PhD  
LOYCE P. WRIGHT

**PENSION COMMITTEE**

KRISTIN GISLESON PALMER  
HAROLD HELLER  
MARVIN RUSSELL

WILLIAM RAYMOND MANNING – Chairperson  
GERALD TILTON  
CHARLES F. WEBB  
JOHN WILSON

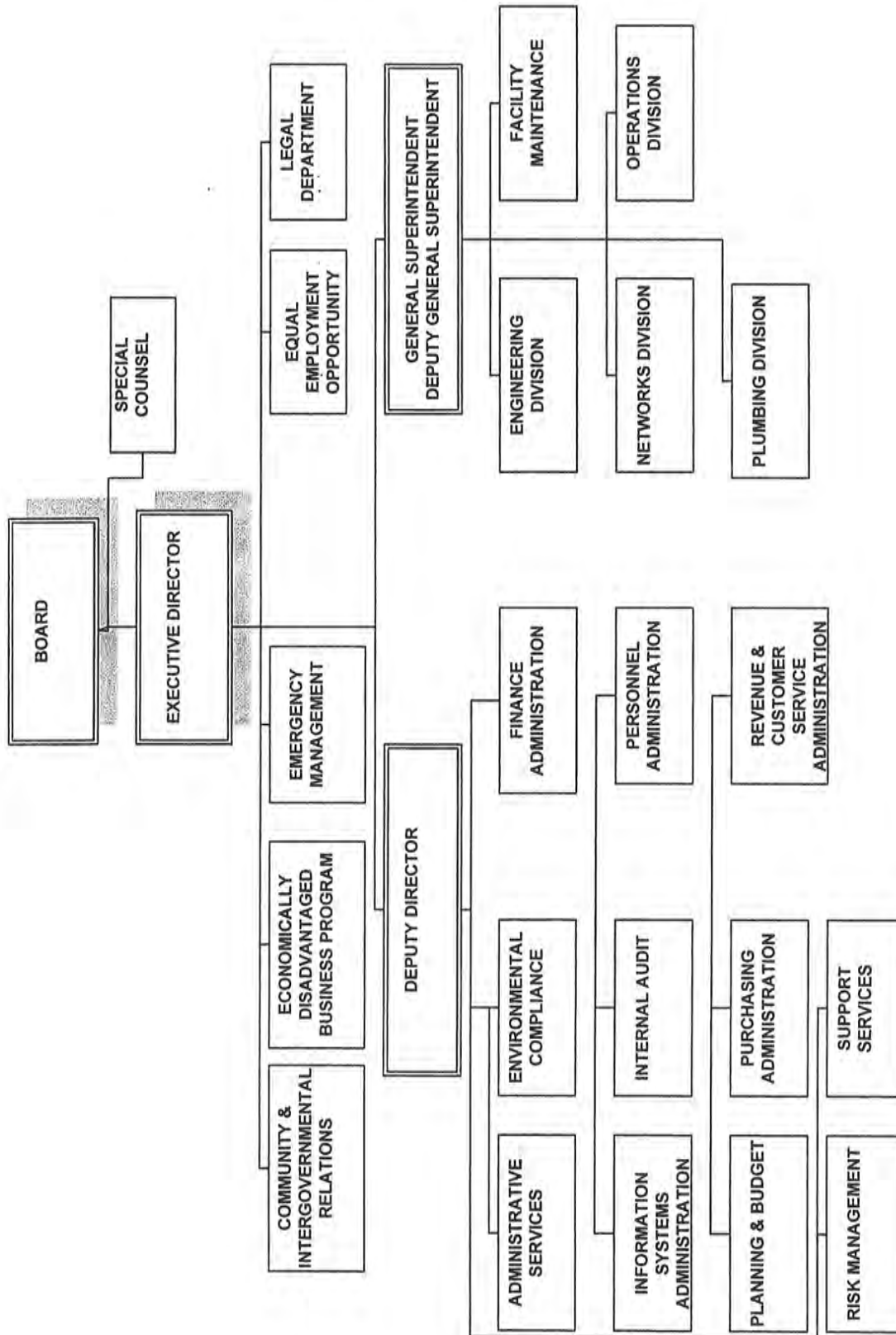
**PLUMBING COMMITTEE**

JAY ARNOLD  
JOSEPH BECKER  
RONNIE CROSBY  
JIM FINLEY

GLEN PILIE – Chairperson  
STACY HEAD  
MARK M. MOODY  
KRISTIN GISLEON PALMER  
BEVERLY WRIGHT, PhD

MICHAEL CONEFRY & COMPANY, ACTUARY

# SEWERAGE AND WATER BOARD ORGANIZATION CHART 2012



**THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DIVISION HEADS OF DEPUTY DIRECTOR**

December 31, 2012

**ROBERT K. MILLER  
DEPUTY DIRECTOR**

---

**ADMINISTRATIVE SERVICES**  
LYNN COBETTE

**ENVIRONMENTAL COMPLIANCE**  
ANN WILSON

**FINANCE ADMINISTRATION**  
ETHEL H. WILLIAMS

**INFORMATION SYSTEMS ADMINISTRATION**  
MELINDA NELSON

**INTERNAL AUDIT**  
RAYMOND GABLE

**PERSONNEL ADMINISTRATION**  
AUDREY LEE (INTERIM)

**PLANNING AND BUDGET**  
DEXTER JOSEPH

**PURCHASING ADMINISTRATION**  
WILLIE M. MINGO, JR.

**REVENUE AND CUSTOMER SERVICES ADMINISTRATION**  
JACQUELINE K. SHINE

**RISK MANAGEMENT**  
JENNIFER MEDLEY

**SUPPORT SERVICES**  
JOHN WILSON



**THE SEWERAGE AND WATER BOARD OF NEW ORLEANS  
DIVISION HEADS OF GENERAL SUPERINTENDENT**

December 31, 2012

**JOSEPH BECKER**  
GENERAL SUPERINTENDENT

**MADELINE F. GODDARD**  
DEPUTY GENERAL SUPERINTENDENT

---

**ENGINEERING DIVISION**  
JOHN (JACK) HUERKAMP

**FACILITY MAINTENANCE DIVISION**  
GABE SIGNORELLI

**NETWORKS DIVISION**  
RUDY AUGUST

**OPERATIONS DIVISION**  
BOB MOEINIAN

**PLUMBING DIVISION**  
JAMES J. ARNOLD



A new \$32 million hurricane protection berm is being constructed at the East Bank Sewage Treatment Plant (EBSTP) to protect it from hurricane surges. The plant was nearly destroyed by Katrina's surge. The 100 per cent federally funded berm will replace a 7-foot high earthen levee with an 18-foot T-Wall constructed berm, similar to the ones the U.S. Army Corps of Engineers built after Katrina. The project, which began in March of 2012, is set for completion at the end of November of 2013. The berm is designed to protect 26.4 acres of land.



Drainage Pumping Station No. 7, on Marconi Drive near City Park, now has a new 4,023 horsepower, 3 mega watt generator to run one of its pumps should commercial power be interrupted. The station pumps storm water through the Orleans Outfall Canal to Lake Pontchartrain. The cost of this important generator, its two-story housing building and fuel supply tank was \$16 million, fully paid for by Federal funds through the U.S. Army Corps of Engineers. The housing building was designed to blend into the landscape of nearby neighborhoods.

# FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Member of the Board  
Sewerage and Water Board of New Orleans

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of the Sewerage and Water Board of New Orleans (the Board) as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Board, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages II-4 through II-17 and the schedules of funding progress presented on pages II-62 and II-63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Introductory section, Schedules 1 through 6, the Statistical Information section, and Supplementary Information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 1 through 6 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Statistical Information and Supplementary Information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2013, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Postathwaite & Newville*

New Orleans, Louisiana  
May 9, 2013

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## **SEWERAGE & WATER BOARD OF NEW ORLEANS**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED DECEMBER 31, 2012**

This section of the Sewerage & Water Board of New Orleans' (the Board) annual financial report presents a discussion and analysis of the Board's financial performance during the fiscal year that ended December 31, 2012. Please read it in conjunction with the Board's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

The Board adopted a financial plan for 2011 through 2020 that is anticipated to result in improved debt service coverage, increased liquidity, increased funding for operations and maintenance, and full funding for the capital improvement program.

Recovery from Hurricane Katrina and the resulting flooding continued to be significant event during 2012. Repairs to water, sewerage, and drainage systems, building repairs, and vehicle and equipment replacements continued throughout 2012. Management anticipates this recovery work to continue through 2025.

#### **Enterprise Fund**

The major highlights in the Board's enterprise fund were as follows:

##### **2012**

- The Board's additions to its major systems approximated \$193.4 million.
- The Southeast Louisiana (SELA) project which is a major upgrade to the drainage system by the Corps of Engineers resulted in additions of approximately \$69.4 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants expended totaled approximately \$51 million, of which approximately \$42.5 million were capital contributions and approximately \$8.5 million were for operating and maintenance expenses.

##### **2011**

- The Board's additions to its major systems approximated \$151.9 million.
- The SELA project which is a major upgrade to the drainage system by the Corps of Engineers resulted in additions of approximately \$39.6 million to work in progress during the year.
- Federal Emergency Management Agency (FEMA) Disaster Public Assistance grants expended totaled approximately \$39.5 million, of which approximately \$28.5 million were capital contributions and approximately \$11 million were for operating and maintenance expenses.

#### **Pension Trust Fund**

##### **2012**

The major highlight in the Board's pension trust fund was the financial performance in the stock market as compared to 2011. The appreciation of the fair value of investments was \$20.6 million compared to \$7.7 million in 2011. The plan net position available for benefits had a net increase of \$12.9 million to \$209.9 million in 2012.

## **2011**

The major highlight in the Board's pension trust fund was the financial performance in the stock market as compared to 2010. The appreciation of the fair value of investments was \$7.7 million compared to \$19.2 million in 2010. The plan net position available for benefits had a net increase of \$0.5 million to \$197 million in 2011.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of five parts: management's discussion and analysis (this section), the financial statements, the notes to the financial statements, required supplementary information, and other supplementary information.

### **Government-wide Financial Statements – Enterprise Fund**

The Board's principal activities of providing water, sewerage, and drainages services are accounted for in a single proprietary fund – the enterprise fund. Enterprise funds are used to report business activities. Since the enterprise fund is the Board's single activity, its financial statements are presented as the Board's government-wide financial statements.

The financial statements provide both long-term and short-term information about the Board's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Position. All assets and liabilities associated with the operation of the Board are included in the Statements of Net Position.

The Statement of Net Position reports the Board's net position. Net position - the difference between the Board's assets and liabilities - are one way to measure the Board's financial health or position.

### **Fund Financial Statements – Pension Trust Fund**

The Board's fund financial statements consist of its pension trust fund. As a fiduciary fund, the pension trust fund is held for the benefit of employees and retirees of the Board. The pension trust fund is not reflected in the government-wide financials because the resources are not available to the Board for its activities. The accounting for the pension trust fund is much like that used by the enterprise fund.

## FINANCIAL ANALYSIS OF THE BOARD

### ENTERPRISE FUND

#### 2012 Net Position

The Board's total assets at December 31, 2012 were approximately \$2.1 billion, a 6.3% increase from December 31, 2011 (see Table A-1).

Table A-1				
Sewerage & Water Board of New Orleans				
Net Position				
	2012	2011	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 63,969,654	\$ 73,557,121	\$ (9,587,467)	-13.0%
Restricted assets	112,309,089	124,217,838	(11,908,749)	-9.6%
Property, plant and equipment - net	1,968,531,923	1,819,352,046	149,179,877	8.2%
Other assets	1,819,235	1,987,652	(168,417)	-8.5%
<b>Total assets</b>	<b>\$ 2,146,629,901</b>	<b>\$ 2,019,114,657</b>	<b>\$ 127,515,244</b>	<b>6.3%</b>
Current liabilities	\$ 181,781,809	\$ 173,800,803	\$ 7,981,006	4.6%
Long-term liabilities	364,235,529	348,127,496	16,108,033	4.6%
<b>Total liabilities</b>	<b>546,017,338</b>	<b>521,928,299</b>	<b>24,089,039</b>	<b>4.6%</b>
Net position:				
Net investment in capital assets	1,762,389,823	1,604,703,877	157,685,946	9.8%
Restricted	35,186,883	33,137,542	2,049,341	6.2%
Unrestricted	(196,964,143)	(140,655,061)	(56,309,082)	40.0%
<b>Total net position</b>	<b>1,600,612,563</b>	<b>1,497,186,358</b>	<b>103,426,205</b>	<b>6.9%</b>
<b>Total liabilities and net position</b>	<b>\$ 2,146,629,901</b>	<b>\$ 2,019,114,657</b>	<b>\$ 127,515,244</b>	<b>6.3%</b>

The net increase in total assets of \$127.5 million resulted primarily due to an increase in property, plant, and equipment of \$149.1 million, and a decrease of \$11.9 million in restricted assets, of which includes a decrease of \$14.8 million in investments restricted for capital projects. Total decrease of \$9.6 million in current unrestricted assets was primarily due to a decrease of \$7.6 million in cash. Current liabilities increased by \$8 million primarily due to an increase of \$17.4 million in additional borrowing from the State of Louisiana and offset by a decrease of \$4.3 million in accounts payable and \$3.5 million in other liabilities. Long-term liabilities increased by \$16.1 million primarily due to an increase of \$14.2 million in SELA project payable, \$4.4 million interest accrual for Special Community Disaster loan, and an increase of \$7.3 million in other postretirement benefits liability, offset by a decrease of \$9.7 million in bonds payable.



## 2011 Net Position

The Board's total assets at December 31, 2011 were approximately \$2.0 billion, a 5.2% increase from December 31, 2010 (see Table A-2).

Table A-2				
Sewerage & Water Board of New Orleans				
Net Position				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Current unrestricted assets	\$ 73,557,121	\$ 91,222,163	\$ (17,665,042)	-19.4%
Restricted assets	124,217,838	114,918,876	9,298,962	8.1%
Property, plant and equipment - net	1,819,352,046	1,710,459,837	108,892,209	6.4%
Other assets	1,987,652	2,074,987	(87,335)	-4.2%
<b>Total assets</b>	<b>\$ 2,019,114,657</b>	<b>\$ 1,918,675,863</b>	<b>\$ 100,438,794</b>	<b>5.2%</b>
Current liabilities	\$ 173,800,803	\$ 154,772,029	\$ 19,028,774	12.3%
Long-term liabilities	348,127,496	358,959,646	(10,832,150)	-3.0%
<b>Total liabilities</b>	<b>521,928,299</b>	<b>513,731,675</b>	<b>8,196,624</b>	<b>1.6%</b>
Net position:				
Net investment in capital assets	1,604,703,877	1,481,320,632	123,383,245	8.3%
Restricted	33,137,542	32,774,880	362,662	1.1%
Unrestricted	(140,655,061)	(109,151,324)	(31,503,737)	28.9%
<b>Total net position</b>	<b>1,497,186,358</b>	<b>1,404,944,188</b>	<b>92,242,170</b>	<b>6.6%</b>
<b>Total liabilities and net position</b>	<b>\$ 2,019,114,657</b>	<b>\$ 1,918,675,863</b>	<b>\$ 100,438,794</b>	<b>5.2%</b>

The net increase in total assets of \$100.4 million resulted primarily due to an increase in property, plant, and equipment of \$108.9 million, and an increase of \$9.3 million in restricted assets, of which includes an increase of \$8.7 million in investments restricted for capital projects. Total increase of \$118.2 million is offset by a decrease in current unrestricted assets of \$17.7 million, of which resulted primarily due to a decrease of \$7.8 million in grants receivable. Current liabilities increased by \$19.0 million primarily due to an increase of \$5.0 million in accounts payable and an increase of \$8.1 million in additional borrowing from the State of Louisiana. Furthermore, \$5.7 million of Debt Service Assistance Fund loan payable, which is payable in installments starting May 2012, has been reclassified from long-term liabilities to current liabilities. Long-term liabilities decreased by \$10.8 million primarily due to a decrease of \$15.3 million in bonds payable and a decrease of \$5.7 million in Debt Service Assistance Fund loan payable as described above, offset by an increase of \$7.6 million in other postretirement benefits liability.

## 2012 Changes in Net Position

The change in net position for the year ended December 31, 2012 was an increase of approximately \$103.4 million, as opposed to an increase in net position of approximately \$92.2 million for the year ended December 31, 2011. The Board's total operating revenues decreased by 1.9% to approximately \$137 million, and total non-operating revenue increased by 1.8% to approximately \$51.6 million. The changes in net position are detailed in Table A-3; operating expenses are detailed in Table A-4.

Table A-3				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2012	2011	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 132,351,945	\$ 131,006,460	\$ 1,345,485	1.0%
Other	4,626,276	8,581,123	(3,954,847)	-46.1%
<b>Total operating revenues</b>	<b>136,978,221</b>	<b>139,587,583</b>	<b>(2,609,362)</b>	<b>-1.9%</b>
Operating expenses (Table A-4)	178,873,695	170,909,110	7,964,585	4.7%
Operating loss	(41,895,474)	(31,321,527)	(10,573,947)	-33.8%
Non-operating revenues:				
Property taxes	44,061,990	39,232,254	4,829,736	12.3%
Other taxes	278,394	316,079	(37,685)	-11.9%
Operating and maintenance grants	7,624,526	11,479,664	(3,855,138)	-33.6%
Investment expense	(336,506)	(310,008)	(26,498)	8.5%
<b>Total non-operating revenues</b>	<b>51,628,404</b>	<b>50,717,989</b>	<b>910,415</b>	<b>1.8%</b>
Income before capital contributions	9,732,930	19,396,462	(9,663,532)	-49.8%
Capital contributions	93,693,275	72,845,708	20,847,567	28.6%
<b>Change in net position</b>	<b>103,426,205</b>	<b>92,242,170</b>	<b>11,184,035</b>	<b>12.1%</b>
Net position, beginning of year	1,497,186,358	1,404,944,188	92,242,170	6.6%
Net position, end of year	\$ 1,600,612,563	\$ 1,497,186,358	\$ 103,426,205	6.9%

Capital contributions from federal grants and construction of Board property was approximately \$93.7 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$34 million and approximately \$52.5 million of capital contributions by the Army Corps of Engineers. Operating and maintenance grants decreased in 2012 to \$7.6 million for operation and maintenance expenditures made during 2012 under the FEMA Disaster Public Assistance grant.

Table A-4				
Sewerage & Water Board				
Operating Expenses				
	2012	2011	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 11,951,746	\$ 11,787,614	\$ 164,132	1.4%
Treatment	18,906,540	18,081,523	825,017	4.6%
Transmission and distribution	26,019,713	27,216,035	(1,196,322)	-4.4%
Customer accounts	3,334,652	3,369,643	(34,991)	-1.0%
Customer service	3,332,300	3,320,100	12,200	0.4%
Administration and general	15,879,736	16,054,154	(174,418)	-1.1%
Payroll related	33,980,859	34,770,439	(789,580)	-2.3%
Maintenance of general plant	24,480,560	25,185,237	(704,677)	-2.8%
Depreciation	39,011,955	34,772,279	4,239,676	12.2%
Amortization	168,419	165,080	3,339	2.0%
Provision for doubtful accounts	1,676,511	867,460	809,051	93.3%
Provision for (benefit of) claims	130,704	(4,680,454)	4,811,158	-102.8%
Total operating expenses	\$ 178,873,695	\$ 170,909,110	\$ 7,964,585	4.7%

Total operating expenses increased by approximately \$8 million or 4.7% compared to 2011 primarily due to an increase in depreciation expenses. In 2012, the Board placed several construction projects in service, which caused an increase of \$4.2 million or 12.2% in depreciation expenses. Provisions for claims increased to \$0.3 million in 2012 as compared to 2011. Claims expense varies due to the number and severity of the claims during any period. The increase is primarily due to adjustments in overall claims reserve at year-end in addition to claims payments made during 2012.

#### 2011 Changes in Net Position

The change in net position for the year ended December 31, 2011 was an increase of approximately \$92.2 million, as opposed to an increase in net position of approximately \$89.5 million for the year ended December 31, 2010. The Board's total operating revenues increased by 7.3% to approximately \$139.6 million, and total operating expenses decreased by 2.8% to approximately \$170.9 million. The changes in net position are detailed in Table A-5; operating expenses are detailed in Table A-6.

Table A-5				
Sewerage & Water Board of New Orleans				
Revenues , Expenses and Change in Net Position				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Operating revenues:				
Charges for services	\$ 131,006,460	\$ 125,360,977	\$ 5,645,483	4.5%
Other	8,581,123	4,702,753	3,878,370	82.5%
<b>Total operating revenues</b>	<b>139,587,583</b>	<b>130,063,730</b>	<b>9,523,853</b>	<b>7.3%</b>
Operating expenses (Table A-6)	170,909,110	175,809,537	(4,900,427)	-2.8%
Operating loss	(31,321,527)	(45,745,807)	14,424,280	31.5%
Non-operating revenues:				
Property taxes	39,232,254	36,550,476	2,681,778	7.3%
Other taxes	316,079	333,795	(17,716)	-5.3%
Operating and maintenance grants	11,479,664	9,367,940	2,111,724	22.5%
Investment expense	(310,008)	(1,413,280)	1,103,272	-78.1%
Other non-operating income (expense)	-	41,438,410	(41,438,410)	-100.0%
<b>Total non-operating revenues</b>	<b>50,717,989</b>	<b>86,277,341</b>	<b>(35,559,352)</b>	<b>-41.2%</b>
Income before capital contributions	19,396,462	40,531,534	(21,135,072)	-52.1%
Capital contributions	72,845,708	48,959,148	23,886,560	48.8%
<b>Change in net position</b>	<b>92,242,170</b>	<b>89,490,682</b>	<b>2,751,488</b>	<b>3.1%</b>
Net position, beginning of year	1,404,944,188	1,315,453,506	89,490,682	6.8%
Net position, end of year	\$ 1,497,186,358	\$ 1,404,944,188	\$ 92,242,170	6.6%

Capital contributions from federal grants and construction of Board property was approximately \$72.8 million resulting primarily from capital additions reimbursable under the FEMA Disaster Public Assistance grant of approximately \$33.2 million and approximately \$39.6 million of capital contributions by the Army Corps of Engineers. Operating and maintenance grants increased in 2011 to \$11.5 million due to operation and maintenance expenditures made during 2011 under the FEMA Disaster Public Assistance grant.



Table A-6				
Sewerage & Water Board				
Operating Expenses				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Power and pumping	\$ 11,787,614	\$ 12,606,851	\$ (819,237)	-6.5%
Treatment	18,081,523	19,029,752	(948,229)	-5.0%
Transmission and distribution	27,216,035	15,915,361	11,300,674	71.0%
Customer accounts	3,369,643	3,314,887	54,756	1.7%
Customer service	3,320,100	3,386,338	(66,238)	-2.0%
Administration and general	16,054,154	16,060,032	(5,878)	0.0%
Payroll related	34,770,439	33,616,025	1,154,414	3.4%
Maintenance of general plant	25,185,237	28,457,226	(3,271,989)	-11.5%
Depreciation	34,772,279	35,216,611	(444,332)	-1.3%
Amortization	165,080	164,415	665	0.4%
Provision for doubtful accounts	867,460	4,855,325	(3,987,865)	-82.1%
Provision for (benefit of) claims	(4,680,454)	3,186,714	(7,867,168)	-246.9%
Total operating expenses	\$ 170,909,110	\$ 175,809,537	\$ (4,900,427)	-2.8%

The increase in transmission and distribution expenses in 2011 of \$11.3 million or 71.0% is primarily due to an increase in operation and maintenance expenses of \$11.0 million under paving contracts. The decrease in maintenance of general plant in 2011 of \$3.3 million or 11.5% resulted primarily from additional repair and maintenance expenses incurred in 2010. Provisions for doubtful accounts decreased by approximately \$4.0 million, or 82.1%, in 2011 as a result of lowered estimates on uncollectible balances and recovery of accounts that were written off in prior years. Provisions for claims decreased by \$7.9 million in 2011 as compared to 2010. Claims expense varies due to the number and severity of the claims during any period. The decrease is primarily due to a decrease in overall claims reserve at year-end in addition to claims payments made during 2011.

## **PENSION TRUST FUND**

### **2012 Plan Net Position**

The Board's total plan net position of its pension trust fund at December 31, 2012 was approximately \$209.9 million, a 6.5% increase from December 31, 2011 (see table A-7). Total assets increased 7.1% to \$220.7 million.

Plan net position increased by approximately \$12.9 million in 2012 primarily due to increased unrealized gains on investments of \$20.6 million in 2012 compared to \$7.7 million gain in 2011.

Table A-7				
Sewerage & Water Board of New Orleans				
Plan Net Position				
	2012	2011	Increase (Decrease)	Increase (Decrease)
Cash	\$ 755,634	\$ 1,493,734	\$ (738,100)	-49.4%
Investments	218,299,235	203,410,658	14,888,577	7.3%
Receivables	81,122	78,126	2,996	3.8%
Other assets	1,568,064	1,111,238	456,826	41.1%
<b>Total assets</b>	<b>220,704,055</b>	<b>206,093,756</b>	<b>14,610,299</b>	<b>7.1%</b>
DROP participant payable	10,830,705	9,121,044	1,709,661	18.7%
<b>Total liabilities</b>	<b>10,830,705</b>	<b>9,121,044</b>	<b>1,709,661</b>	<b>-18.7%</b>
<b>Plan net position</b>	<b>\$ 209,873,350</b>	<b>\$ 196,972,712</b>	<b>\$ 12,900,638</b>	<b>6.5%</b>

#### 2011 Plan Net Position

The Board's total plan net position of its pension trust fund at December 31, 2011 was approximately \$197.0 million, a 0.2% increase from December 31, 2010 (see table A-8). Total assets increased 0.4% to \$206.1 million.

Plan net position increased by approximately only \$0.5 million in 2011 primarily due to lower unrealized gains on investments of \$7.7 million in 2011 compared to \$19.2 million gain in 2010.

Table A-8				
Sewerage & Water Board of New Orleans				
Plan Net Position				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Cash	\$ 1,493,734	\$ 895,812	\$ 597,922	66.7%
Investments	203,410,658	204,209,292	(798,634)	-0.4%
Receivables	78,126	38,896	39,230	100.9%
Other assets	1,111,238	96,285	1,014,953	1054.1%
<b>Total assets</b>	<b>206,093,756</b>	<b>205,240,285</b>	<b>853,471</b>	<b>0.4%</b>
DROP participant payable	9,121,044	8,752,101	368,943	4.2%
<b>Total liabilities</b>	<b>9,121,044</b>	<b>8,752,101</b>	<b>368,943</b>	<b>-4.2%</b>
<b>Plan net position</b>	<b>\$ 196,972,712</b>	<b>\$ 196,488,184</b>	<b>\$ 484,528</b>	<b>0.2%</b>

## 2012 Changes in Plan Net Position

Table A-9				
Sewerage & Water Board of New Orleans				
Change in Plan Net Position				
	2012	2011	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	\$ 8,933,937	\$ 7,832,200	\$ 1,101,737	14.1%
Net income on investments	21,372,939	8,599,418	12,773,521	148.5%
<b>Total additions</b>	<b>30,306,876</b>	<b>16,431,618</b>	<b>13,875,258</b>	<b>84.4%</b>
Deductions:				
Benefits	(12,568,639)	(11,712,037)	(856,602)	7.3%
Employee refunds	(111,854)	(185,810)	73,956	-39.8%
Employee DROP contributions	(4,725,745)	(4,049,243)	(676,502)	16.7%
<b>Total deductions</b>	<b>(17,406,238)</b>	<b>(15,947,090)</b>	<b>(1,459,148)</b>	<b>9.1%</b>
<b>Change in net position</b>	<b>12,900,638</b>	<b>484,528</b>	<b>12,416,110</b>	<b>2562.5%</b>
Plan net position, beginning of year	196,972,712	196,488,184	484,528	0.2%
Plan net position, end of year	<b>\$ 209,873,350</b>	<b>\$ 196,972,712</b>	<b>\$ 12,900,638</b>	<b>6.5%</b>

Net income on investments increased by \$12.8 million or 25 times during 2012 due to increasing performance of the investment portfolio as compared to 2011. The increase in the change in plan net position of \$12.9 million resulted primarily from an increase in unrealized gains on investments compared to 2011 and an increase of \$1.4 million or 9.1% in deductions compared to 2011.

## 2011 Changes in Plan Net Position

Table A-10				
Sewerage & Water Board of New Orleans				
Change in Plan Net Position				
	2011	2010	Increase (Decrease)	Increase (Decrease)
Additions:				
Contributions	\$ 7,832,200	\$ 7,186,335	\$ 645,865	9.0%
Net income on investments	8,599,418	19,934,929	(11,335,511)	-56.9%
<b>Total additions</b>	<b>16,431,618</b>	<b>27,121,264</b>	<b>(10,689,646)</b>	<b>-39.4%</b>
Deductions:				
Benefits	(11,712,037)	(11,461,132)	(250,905)	2.2%
Employee refunds	(185,810)	(76,656)	(109,154)	142.4%
Employee DROP contributions	(4,049,243)	(3,871,836)	(177,407)	4.6%
<b>Total deductions</b>	<b>(15,947,090)</b>	<b>(15,409,624)</b>	<b>(537,466)</b>	<b>3.5%</b>
<b>Change in net position</b>	<b>484,528</b>	<b>11,711,640</b>	<b>(11,227,112)</b>	<b>-95.9%</b>
Plan net position, beginning of year	196,488,184	184,776,544	11,711,640	6.3%
Plan net position, end of year	\$ 196,972,712	\$ 196,488,184	\$ 484,528	0.2%

Net income on investments decreased by \$11.3 million or 56.9% during 2011 due to decreasing performance of the investment portfolio as compared to 2010. The increase in the change in plan net position of \$0.5 million resulted primarily from a decrease in unrealized gains on investments compared to 2010 and increase of \$0.5 million in deductions in 2011.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### 2012 Capital Assets

As of December 31, 2012, the Board had invested approximately \$2.71 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2012 totaled approximately \$1.97 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$149.1 million or 8.2% over December 31, 2011.

At December 31, 2012, the Board's budget for its ten year capital improvements program totaled approximately \$3.64 billion including \$814.4 million for water, \$609.4 million for sewerage and \$2.22 billion for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2012, the Board has committed or appropriated \$61.3 million in investments for use in future capital projects and has approximately \$319,000 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.



The capital improvements budget for 2012 is \$1.56 billion, including \$76 million for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2012 include the following:

Hurricane Katrina-related Repairs and Replacements  
Southeast Louisiana Flood Control Program  
Sewer System Sanitation Evaluation and Rehabilitation Program  
Drainage Pumping Station #1  
Eastbank Sewer Treatment Plant  
Westbank Sewer Treatment Plant  
Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant  
Wetlands Assimilation Project

See Note 4 for detailed capital asset activity during 2012.

### **2011 Capital Assets**

As of December 31, 2011, the Board had invested approximately \$2.53 billion in capital assets. Net of accumulated depreciation, the Board's net capital assets at December 31, 2011 totaled approximately \$1.82 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$108.9 million or 6.4% over December 31, 2010.

At December 31, 2011, the Board's budget for its ten year capital improvements program totaled approximately \$3.6 billion including \$813.4 million for water, \$551.7 million for sewerage and \$2.2 billion for drainage. Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2011, the Board has committed or appropriated \$76.2 million in investments for use in future capital projects and has approximately \$176,000 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2011 is \$1.6 billion, including \$67.4 million for projects which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2011 include the following:

Hurricane Katrina-related Repairs and Replacements  
Southeast Louisiana Flood Control Program  
Sewer System Sanitation Evaluation and Rehabilitation Program  
Drainage Pumping Station #1  
Eastbank Sewer Treatment Plant  
Westbank Sewer Treatment Plant  
Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant

See Note 4 for detailed capital asset activity during 2011.

### **2012 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds. During 2012, \$16.2 million in principal payments were made.

The Louisiana Department of Health and Hospitals has committed to loan the Board up to \$3.4 million to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The outstanding balance is \$1,998,636 at December 31, 2012.

The Louisiana Department of Environmental Quality has committed to loan the Board up to \$9 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance is \$7,471,505 at December 31, 2012.

See Note 6 for detailed long term debt activity during 2012.

### **2011 Debt Administration**

The Board continues to make its regularly scheduled payments on its bonds. During 2011, \$15.4 million in principal payments were made.

The Louisiana Department of Health and Hospitals has committed to loan the Board up to \$3.4 million to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (project). The outstanding balance was \$1,503,834 at December 31, 2011.

The Louisiana Department of Environmental Quality has committed to loan the Board up to \$9 million to fund construction of sewerage treatment works, implementing a management program under Section 1329 of the Water Quality Act of 1987, and developing and implementing a conservation and management plan under Section 1330 of the Federal Act. The outstanding balance was \$98,375 at December 31, 2011.

See Note 6 for detailed long term debt activity during 2011.

### **ECONOMIC FACTORS AND RATES**

There are continued significant other revenues and expenses which impact the Board. State and federal grants related to the disaster are expected to have a significant impact on 2013 as in the past few years. Total FEMA debris removal, mitigation, and capital replacement grants are expected to exceed \$537.8 million. Of this amount, approximately \$281.8 million has been recognized through 2012. FEMA revenues will continue to be recognized as buildings, systems, and other reimbursable assets are repaired or replaced. In 2013, the Board will recognize additional portions of these revenues but much of the construction and replacement will not have been completed and the revenues although measurable may not be readily available due to the delays in actual receipts of FEMA funds.

The Board, the City Council, and the Board of Liquidation City Debt approved rate increase of ten percent for the Water and Sewer Department effective January 1, 2013 and annually thereafter through 2020.

The Board also authorized a study to develop a drainage service charge amount and implementation methodology.

The number of open accounts has increased from 117,913 at the end of 2009 to 128,002 at the end of 2012, an increase of 8.56%. The number of open accounts decreased significantly in 2006 and 2007. However, the number of open accounts increased in 2011 by 3,027 and increased by 2,359 in 2012.

#### **CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Sewerage & Water Board of New Orleans at (504) 585-2356.

## **BASIC FINANCIAL STATEMENTS**



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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF NET POSITION**  
**December 31, 2012 and 2011**

ASSETS	<u>2012</u>	<u>2011</u>
Noncurrent assets:		
Property, plant and equipment	\$ 2,711,454,277	\$ 2,526,472,267
Less: accumulated depreciation	742,922,354	707,120,221
Property, plant and equipment, net	<u>1,968,531,923</u>	<u>1,819,352,046</u>
Other assets:		
Bond issuance costs	1,767,920	1,936,337
Deposits	51,315	51,315
Total other assets	<u>1,819,235</u>	<u>1,987,652</u>
Total noncurrent assets	<u>1,970,351,158</u>	<u>1,821,339,698</u>
Current assets:		
Unrestricted:		
Cash	8,607,217	16,159,335
Accounts receivable:		
Customers, net of allowance	13,555,071	12,475,783
Taxes	7,732,452	6,895,232
Grants	22,988,323	26,572,959
Miscellaneous	2,637,158	2,708,045
Inventory of supplies	7,698,327	8,024,117
Prepaid expenses	751,106	721,650
Total unrestricted	<u>63,969,654</u>	<u>73,557,121</u>
Restricted investments:		
Capital projects	61,355,875	76,150,163
Construction funds	319,442	175,768
Debt service reserve	35,186,883	33,137,542
Customer deposits	9,492,988	8,849,159
Health insurance reserve	5,362,863	5,350,225
Other	591,038	554,981
Total restricted	<u>112,309,089</u>	<u>124,217,838</u>
Total current assets	<u>176,278,743</u>	<u>197,774,959</u>
Total assets	<u>\$ 2,146,629,901</u>	<u>\$ 2,019,114,657</u>

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF NET POSITION**  
**December 31, 2012 and 2011**  
**(Continued)**

NET POSITION AND LIABILITIES	<u>2012</u>	<u>2011</u>
Net position:		
Net investment in capital assets	\$ 1,762,389,823	\$ 1,604,703,877
Restricted for debt service	35,186,883	33,137,542
Unrestricted	<u>(196,964,143)</u>	<u>(140,655,061)</u>
Total net position	<u>1,600,612,563</u>	<u>1,497,186,358</u>
Long-term liabilities:		
Claims payable	2,234,075	2,861,441
Net pension obligation	11,123,890	8,888,332
Other postretirement benefits liability	48,072,203	40,781,954
Bonds payable, net of current maturities	189,079,542	198,674,937
Special Community Disaster loan payable	29,576,512	25,166,747
Southeast Louisiana Project liability	14,231,768	-
Debt Service Assistance Fund loan payable, net of current maturities	<u>69,917,539</u>	<u>71,754,085</u>
Total long-term liabilities	<u>364,235,529</u>	<u>348,127,496</u>
Current liabilities (payable from current unrestricted assets):		
Accounts payable	36,861,750	41,212,632
Due to City of New Orleans	160,093	107,442
Due to other governments (Note 13)	85,275,609	67,894,157
Retainers and estimates payable	2,840,502	3,293,968
Due to pension trust fund	78,013	127,135
Accrued salaries	1,799,861	1,255,349
Accrued vacation and sick pay	9,803,436	10,265,830
Claims payable	10,977,109	12,040,040
Debt Service Assistance Fund loan payable	3,859,428	5,711,162
Other liabilities	<u>143,131</u>	<u>3,719,226</u>
Total current liabilities (payable from current unrestricted assets):	<u>151,798,932</u>	<u>145,626,941</u>
Current liabilities (payable from current restricted assets):		
Accrued interest	2,395,406	2,534,988
Bonds payable	17,382,000	16,149,000
Retainers and estimates payable	712,483	640,715
Customer deposits	<u>9,492,988</u>	<u>8,849,159</u>
Total current liabilities (payable from current restricted assets):	<u>29,982,877</u>	<u>28,173,862</u>
Total current liabilities	<u>181,781,809</u>	<u>173,800,803</u>
Total liabilities	<u>546,017,338</u>	<u>521,928,299</u>
Total net position and liabilities	<u>\$ 2,146,629,901</u>	<u>\$ 2,019,114,657</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Operating revenues:		
Sales of water and delinquent fees	\$ 60,256,304	\$ 59,890,312
Sewerage service charges	71,407,835	70,358,076
Plumbing inspection and license fees	687,806	758,072
Other revenue	<u>4,626,276</u>	<u>8,581,123</u>
Total operating revenues	<u>136,978,221</u>	<u>139,587,583</u>
Operating Expenses:		
Power and pumping	11,951,746	11,787,614
Treatment	18,906,540	18,081,523
Transmission and distribution	26,019,713	27,216,035
Customer accounts	3,334,652	3,369,643
Customer service	3,332,300	3,320,100
Administration and general	15,879,736	16,054,154
Payroll related	33,980,859	34,770,439
Maintenance of general plant	24,480,560	25,185,237
Depreciation	39,011,955	34,772,279
Amortization	168,419	165,080
Provision for doubtful accounts	1,676,511	867,460
Provision for (benefit of) claims	<u>130,704</u>	<u>(4,680,454)</u>
Total operating expenses	<u>178,873,695</u>	<u>170,909,110</u>
Operating loss	<u>(41,895,474)</u>	<u>(31,321,527)</u>
Non-operating revenues (expenses):		
Three-mill tax	12,497,723	11,129,376
Six-mill tax	12,630,977	11,242,927
Nine-mill tax	18,933,290	16,855,081
Two-mill tax	-	4,870
Other taxes	278,394	316,079
Operating and maintenance grants	7,624,526	11,479,664
Interest income	401,387	426,870
Interest expense	<u>(737,893)</u>	<u>(736,878)</u>
Total non-operating revenues	<u>51,628,404</u>	<u>50,717,989</u>
Income before capital contributions	9,732,930	19,396,462
Capital contributions	<u>93,693,275</u>	<u>72,845,708</u>
Change in net position	103,426,205	92,242,170
Net position, beginning of year	<u>1,497,186,358</u>	<u>1,404,944,188</u>
Net position, end of year	<u>\$ 1,600,612,563</u>	<u>\$ 1,497,186,358</u>

See accompanying notes to financial statements.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**ENTERPRISE FUND**

For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Cash received from customers	\$ 128,960,991	\$ 131,688,497
Cash payments to suppliers for goods and services	(63,842,090)	(64,804,326)
Cash payments to employees for services	(64,800,112)	(62,177,005)
Other revenue	5,384,969	9,873,742
Net cash provided by operating activities	5,703,758	14,580,908
Cash flows from noncapital financing activities		
Proceeds from property taxes	43,503,164	42,208,555
Proceeds from federal operating and maintenance grants	5,040,113	3,366,850
Net cash provided by noncapital financing activities	48,543,277	45,575,405
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(113,016,485)	(127,102,736)
Principal payments on bonds payable	(16,175,000)	(15,360,000)
Proceeds from bonds payable	7,957,932	994,367
Proceeds from Debt Service Assistance Fund loan	-	4,854
Principal payments on Debt Service Assistance Fund loan	(3,688,280)	-
Payments for bond issuance costs	-	(77,745)
Interest paid on bonds payable	(14,451,884)	(9,373,299)
Proceeds from construction fund, net (Note 13)	17,381,452	8,074,749
Capital contributed by developers and federal grants	47,381,086	89,131,241
Net cash used in capital and related financing activities	(74,611,179)	(53,708,569)
Cash flows from investing activities		
Payments for purchase of investments	(1,093,585,995)	(1,060,300,624)
Proceeds from maturities of investments	1,101,209,284	1,059,091,196
Investment income	259,448	308,080
Net cash provided by (used in) investing activities	7,882,737	(901,348)
Net increase (decrease) in cash	(12,481,407)	5,546,396
Cash at the beginning of the year	89,408,416	83,862,020
Cash at the end of the year	\$ 76,927,009	\$ 89,408,416
Reconciliation of cash and restricted cash (Note 2)		
Current assets - cash	\$ 8,607,217	\$ 16,159,335
Restricted assets -cash	68,319,792	73,249,081
Total cash	\$ 76,927,009	\$ 89,408,416

(Continued)

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF CASH FLOWS**  
**ENTERPRISE FUND**

For the years ended December 31, 2012 and 2011  
(Continued)

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities is as follows:		
Operating loss	\$ (41,895,474)	\$ (31,321,527)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation	39,011,955	34,772,279
Provision for (benefit of) claims	130,704	(4,680,454)
Provision for doubtful accounts	1,676,511	867,460
Amortization	168,419	165,080
Change in operating assets and liabilities:		
(Increase) decrease in customer receivables	(2,755,799)	1,440,081
Decrease in inventory	325,790	2,340,578
Decrease in prepaid expenses and other receivables	41,431	503,157
Increase in net pension obligation	2,235,558	3,912,279
Increase (decrease) in accounts payable	1,209,768	285,521
Increase in accrued salaries, due to pension and accrued vacation and sick pay	32,996	31,955
Increase in net other postretirement benefits liability	7,290,249	7,712,867
Decrease in other liabilities	(1,768,350)	(1,448,368)
Net cash provided by operating activities	<u>\$ 5,703,758</u>	<u>\$ 14,580,908</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**STATEMENTS OF PLAN NET POSITION**  
**PENSION TRUST FUND**  
**December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Assets:		
Cash	\$ 755,634	\$ 1,493,734
Receivables:		
Investment income	68,850	55,724
Employee contributions receivable	12,272	22,402
Due from other fund	1,568,064	1,111,238
Investments:		
Money market	1,242,693	478,207
LAMP	12,200,194	9,156,807
Debt securities	74,182,056	73,055,847
Hedge funds	18,459,666	17,450,681
Equities	<u>112,214,626</u>	<u>103,269,116</u>
Total assets	<u>220,704,055</u>	<u>206,093,756</u>
Liabilities:		
DROP participants payable	<u>10,830,705</u>	<u>9,121,044</u>
Total liabilities	<u>10,830,705</u>	<u>9,121,044</u>
Net position - restricted for pension benefits	<u>\$ 209,873,350</u>	<u>\$ 196,972,712</u>

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
STATEMENTS OF CHANGES IN PLAN NET POSITION  
PENSION TRUST FUND**

**For the years ended December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
Additions:		
Contributions:		
Employee contributions	\$ 1,128,257	\$ 1,161,996
Employer contributions	6,114,997	5,436,700
City annuity and other transfers in	1,690,683	1,233,504
Total contributions	<u>8,933,937</u>	<u>7,832,200</u>
Investment income:		
Interest income	181,330	166,176
Dividend income	1,532,810	1,322,210
Net appreciation	20,573,176	7,697,583
	<u>22,287,316</u>	<u>9,185,969</u>
Less: investment expense	<u>914,377</u>	<u>586,551</u>
Net investment income	<u>21,372,939</u>	<u>8,599,418</u>
Total additions	<u>30,306,876</u>	<u>16,431,618</u>
Deductions:		
Benefits	(12,568,639)	(11,712,037)
Employee refunds	(111,854)	(185,810)
Employee contributions to DROP	(4,725,745)	(4,049,243)
Total deductions	<u>(17,406,238)</u>	<u>(15,947,090)</u>
Change in net position	12,900,638	484,528
Net position restricted for pension benefits at beginning of year	196,972,712	196,488,184
Net position restricted for pension benefits at end of year	<u>\$ 209,873,350</u>	<u>\$ 196,972,712</u>

See accompanying notes to financial statements.



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**NOTES TO  
BASIC FINANCIAL STATEMENTS**

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## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

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(1) Summary of Significant Accounting Policies

History and Organization

The major operation of the Sewerage and Water Board of New Orleans (the Board) is providing water, sewerage and drainage services for the City of New Orleans (the City). The Sewerage and Water Board of New Orleans was created by Act 6 of the Louisiana Legislature of 1899 as a special board independent of the City's government to construct, maintain and operate a water treatment and distribution system and a public sanitary sewerage system for the City. In 1903, the Legislature gave the Board control of and responsibility for the City's major drainage system and relieved the City of the duty of providing in its annual operating budget or otherwise for the maintenance and operations of the water, sewerage and drainage systems.

In accordance with the Louisiana Revised Statutes (LRS) 33:4096 and 4121, the Board has the authority to establish the water and sewerage rates to charge to its customers. The rates are based on the actual water consumed and on the costs of maintenance and operation of the water and sewerage systems, including the costs of improvements and replacements. The collections of water and sewerage revenues are to be used by the Board for the maintenance and operation of the systems, the cost of improvements, betterments, and replacements and to provide for the payments of interest and principal on the bonds payable. On March 21, 2007, the Board approved a series of five annual water rate increases beginning with the first increase on November 1, 2007 followed by four additional increases to be implemented on July 1 of each year, 2008 through 2011. The New Orleans City Council approved the annual water rate increases on October 4, 2007. Furthermore, On November 14, 2012, the Board approved both sewer and water rate increases commencing January 1, 2013. The sewer and water rates increase approximately 10% each year until the year of 2020. This increase was approved by the New Orleans City Council on November 14, 2012.

The Board has also been given the authority to levy and collect various tax millages which are used for the operation and maintenance of the drainage operations. All excess revenues collected are made available for capital development of the system. The proceeds of the rate collections and tax millages are invested in such investments as authorized by the LRS. These investments are reflected in the combined statement of net position, as "restricted assets," as they are restricted to the purposes as described above.

The Board is composed of thirteen members, including the Mayor of the City, three City Council members, at least one an at-large member, selected by the City Council, two members of the Board of Liquidation and seven citizens appointed by the Mayor. The appointed members of the Board serve staggered nine year terms.

The Board's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to utilities and to governmental units. The following is a summary of the more significant policies.

(A) Reporting Entity

In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the Board includes an enterprise fund and a pension trust fund for financial reporting purposes. The Board is considered a reporting entity based on the following criteria:



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(1) Summary of Significant Accounting Policies (continued)

(A) Reporting Entity (continued)

- (a) Responsibility for surpluses/deficits. The Board is solely responsible for its surpluses/deficits. In accordance with Louisiana Revised Statutes, no other governmental unit is responsible for the Board's deficits or has a claim to its surpluses. The Board's operations are self-sustaining; revenues are generated through charges to customers and dedicated property taxes. Other than grants, no funding is received from the State of Louisiana or the City of New Orleans.
- (b) Budget Approval. The Board is solely responsible for reviewing, approving and revising its budget.
- (c) Responsibility for Debt. The Louisiana Revised Statutes authorize the Board to issue bonds; such bonds must bear on their face a statement that they do not constitute a debt of the City. The Board is solely responsible for payments to the bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the Board.
- (d) Designation of Management. The Board controls the hiring of management and employees.
- (e) Special Financial Relationship. The Board has no special financial relationships with any other governmental unit.
- (f) Statutory Authority. The Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to the state statutes can change or abolish the Board's authority.

The Board is a stand-alone entity as defined by Governmental Accounting Standards Board Statement 14, *The Financial Reporting Entity*. The Board is a legally-separate governmental organization that does not have a separately elected governing body and does not meet the definition of a component unit. As a result of a Louisiana Supreme Court decision on March 21, 1994, the Board was declared to be an autonomous or self-governing legal entity, legally independent of the City, State and other governments, created and organized pursuant to Louisiana Revised Statutes 33:4071 as a board, separate and independent of the governing authorities of the City and vested with autonomous or self governing authority. No other government can mandate actions of the Board nor impose specific financial burdens. The Board is fiscally independent to operate under its bond covenant and the provisions of Louisiana Revised Statute provisions.

The City of New Orleans includes the Board as a component unit in the City's financial statements.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation

The Board's basic financial statements consist of the government-wide statements which include the proprietary fund (the enterprise fund) and the fund financial statements which includes the fiduciary fund (the pension trust fund). The Board has applied GASBS No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which eliminates the option for business-type activities to follow new FASB pronouncements, although they may continue to be applied as "other accounting literature."

The operations of the Board are accounted for in the following fund types:

Proprietary Fund Type

The proprietary fund is used to account for the Board's ongoing operations and activities, which are similar to those often found in the private sector. The proprietary fund is accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Net position are segregated into amounts invested in capital assets (net of related debt), restricted for debt service, restricted for capital projects and unrestricted. The Board's restricted assets are expendable for their purposes. The Board utilizes available unrestricted assets before utilizing restricted assets. The operating statements present increases (revenues) and decreases (expenses) in net position. The Board maintains one proprietary fund type – the enterprise fund. The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance. The presentation of the financial statements of the enterprise fund follows the format recommended by the National Association of Regulatory Utility Commissioners (NARUC).

The statement of net position arrangement for a utility reflects the relative importance of the various accounts. "Property, plant and equipment" is the first major category on the asset side, and long-term capitalization categories of net position are listed first on the liability side. Current assets and current liabilities are assigned a relatively less important position in the center of the statement of net position, rather than being placed first as in the statement of net position of commercial and industrial enterprises.

Operating revenues include all charges for service; other revenues include reconnection fees and other miscellaneous charges. Operating expenses include the costs associated with providing water, sewerage and drainage services. Interest income, interest expense and tax revenues are presented as non-operating items.

The enterprise fund is presented in the government-wide financial statements.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(1) Summary of Significant Accounting Policies (continued)

(B) Basis of Financial Statement Presentation (continued)

Fiduciary Fund Type

The fiduciary fund is used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The Board maintains one fiduciary fund type - the pension trust fund. The pension trust fund uses the flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included in the statement of plan net assets. The pension trust fund is used to account for the activity of the Board's employee retirement plan.

The pension trust fund is presented in the fund financial statements.

(C) Basis of Accounting

The enterprise fund and the pension trust fund prepare their financial statements on the accrual basis of accounting. Unbilled utility service charges are not recorded as management considers the effect of not recording such unbilled receivables as not material. Property taxes are recorded as revenue in the year for which they are levied. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the pension plan are recognized when due and the employer has made a commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

(D) Investments

Investments are reported at fair value, except for short-term investments (maturity of one year or less) which are reported at amortized cost, which approximates fair value. Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. All investment income including changes in the fair value of the investments is recognized in the Statements of Revenues, Expenses, and Changes in Net position.

(E) Inventory of Supplies

Inventory is valued at the lower of cost or market. Cost is determined by weighted average cost method.

(F) Vacation and Sick Pay

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Annual leave is accrued at the rate of .6923 of a workday for each bi-weekly accrual period for all employees on the payroll as of December 31, 1978. Employees hired after that date earn leave at a rate of .5 of a workday per bi-weekly pay period.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (I) Summary of Significant Accounting Policies (continued)

#### (F) Vacation and Sick Pay (continued)

All employees on the payroll as of December 31, 1978 receive three bonus days each year; all employees hired after that date receive three bonus days each year for five through nine calendar years of continuous service; six bonus days each year for ten through fourteen years; nine bonus days each year for fifteen through nineteen years; and, twelve days for twenty or more years of continuous service. Civil Service's policy permits employees a limited amount of earned but unused annual leave which will be paid to employees upon separation from the Board. The amount shall not exceed ninety days for employees hired before January 1, 1979, and forty-five days for employees hired after December 31, 1978.

Sick leave is accumulated on a bi-weekly basis by all employees hired prior to December 31, 1978 at an accrual rate of .923 of a workday. For employees hired subsequent to December 31, 1978, the accrual rate is .5 of a workday for each bi-weekly period, plus a two day bonus each year for employees with six through fifteen calendar years of continuous service, and seven bonus days each year for employees with sixteen or more calendar years of continuous service.

Upon separation from the Board, an employee can elect to convert unused sick leave for retirement credits or cash. The conversion to cash is determined by a rate ranging from one day of pay for five days of leave for the 1st through 100th leave day to one day of pay for one day of leave for all days in excess of the 400th leave day. The total liability for unconverted sick leave as of December 31, 2012 and 2011 is approximately \$13,513,000 and \$14,348,000, respectively. The amount included in the statements of net position as of December 31, 2012 and 2011 is \$9,803,436 and \$10,265,830, respectively, which represents the annual leave and the converted sick leave since virtually all employees convert their sick leave to cash. Therefore, the Board books the compensated absences as current liability. The amounts for compensated absences include the salary cost as well as certain salary related costs, such as the Board's share of social security expense. The following table summarizes changes in the Board's vacation and sick pay liability.

Year	Beginning of Year Liability	Current Year Earned and Changes in Estimate	Payments	End of Year Liability
2012	\$ 10,265,830	\$ 2,757,637	\$ (3,220,031)	\$ 9,803,436
2011	\$ 10,268,334	\$ 3,210,423	\$ (3,212,927)	\$ 10,265,830

#### (G) Property, Plant and Equipment

Property, plant and equipment are carried at historical cost. The Board capitalizes moveable equipment with a value of \$10,000 or greater, stationary, network and other equipment with a value of \$5,000 or greater and all real estate. The cost of additions includes contracted work, direct labor, materials and allocable cost. Donated capital assets are recorded at their estimated fair value at the date of donation.



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(1) Summary of Significant Accounting Policies (continued)

(G) Property, Plant and Equipment (continued)

Interest is capitalized on property, plant and equipment acquired and/or constructed with tax exempt debt. Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in revenue for the period. The cost of maintenance and repairs is charged to operations as incurred and significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments.

(H) Pension

The Board may fund all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

(I) Drainage System

In 1903, the Legislature gave the Board control of and responsibility for the City's drainage system. The Drainage System was established as a department of the enterprise fund to account for the revenues from three-mill, six-mill and nine-mill ad valorem taxes designated exclusively for drainage services. These revenues have been supplemented by inspection and license fees collected by the Board. There exists a potential for additional financing by additional user service charges. Expenditures from the system are for the debt service of three-mill, six-mill and nine-mill tax bonds and drainage related operation, maintenance and construction.

(J) Self-Insurance/Risk Management

The Board is self-insured for general liability, workers' compensation, unemployment compensation and hospitalization benefits and claims. The accrued liability for the various types of claims represents an estimate by management of the eventual loss on the claims arising prior to year-end, including claims incurred and not yet reported including estimates of both future payments of losses and related claims adjustment and expense. Estimated expenses and recoveries are based on a case by case review.

(K) Capital Contributions

Contributions from developers and others, and receipts of Federal, State and City grants for acquisition of property, plant and equipment are recorded as capital contributions in the statement of revenues, expenses and changes in net position.

(L) Bond Issuance Costs and Refinancing Gains (Losses)

Costs related to issuing bonds are capitalized and amortized based upon the methods used to approximate the interest method over the life of the bonds. Beginning with fiscal years in 1994 and thereafter, gains and losses associated with refundings and advance refundings are being deferred

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

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(1) Summary of Significant Accounting Policies (continued)

(L) Bond Issuance Costs and Refinancing Gains (Losses) (continued)

and amortized based upon the methods used to approximate the interest method over the life of the new bonds or the remaining term on any refunded bond, whichever is shorter. Premiums associated with bond issues are amortized over the interest yield method.

(M) Cash Flows

For purposes of the statement of cash flows, only cash on hand and on deposit at financial institutions is considered to be cash equivalents. Certificates of deposits, treasury bills and other securities are considered investments.

(N) Use of Restricted Assets

When restricted and unrestricted resources are available to cover expenses, unrestricted resources are first applied.

(O) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

(P) Net Position

The Board has implemented GASB No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective fiscal year 2012. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### (1) Summary of Significant Accounting Policies (continued)

#### (P) Net Position (continued)

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of debt is included in the same component of net position as the unspent proceeds.

Restricted – This component reports those net position with externally imposed constraints placed on their use by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

### (2) Cash and Investments

The Board's investments and cash consist primarily of investments in direct obligations of the United States or agencies thereof and deposits with financial institutions.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Statutes require that the Board's cash and certificates of deposit be covered by federal depository insurance or collateral. At December 31, 2012, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$122,354,886 and certificates of deposit of \$272,792. At December 31, 2011, the Board's interest bearing deposits with banks consisted of cash and money market funds totaling \$138,982,459 and certificates of deposit of \$270,652. The Board's cash bank balances and all certificates of deposit for 2012 and 2011 were covered by federal depository insurance or collateral held by custodial agents of the financial institutions in the name of the Board.

In accordance with GASB 40, unless there is information to the contrary, obligations of the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality.

The following are the components of the Board's cash and investments as of December 31 for the Enterprise Fund:

	<u>2012</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:				
Cash and money market funds	\$ 8,607,217	\$ 106,029,295	\$ 114,636,512	
Certificates of deposit	-	272,792	272,792	
	8,607,217	106,302,087	114,909,304	
Investments	-	6,007,002	6,007,002	
Total cash and investments at fair value	\$ 8,607,217	\$ 112,309,089	\$ 120,916,306	

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (2) Cash and Investments (continued)

<u>2011</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Enterprise Fund:			
Cash and money market funds	\$ 16,159,335	\$ 117,940,184	\$ 134,099,519
Certificates of deposit	-	270,652	270,652
	<u>16,159,335</u>	<u>118,210,836</u>	<u>134,370,171</u>
Investments	-	6,007,002	6,007,002
Total cash and investments at fair value	<u>\$ 16,159,335</u>	<u>\$ 124,217,838</u>	<u>\$ 140,377,173</u>

The composition and carrying value of investments is as follows:

	<u>2012</u>	<u>2011</u>
Enterprise Fund:		
LAMP	\$ 6,007,002	\$ 6,007,002
	<u>2012</u>	<u>2011</u>
Pension Trust Fund:		
Money market	\$ 1,242,693	\$ 478,207
LAMP	-	9,156,807
Debt Securities	74,182,056	73,055,847
Hedge funds	18,459,666	17,450,681
Equities	112,214,626	103,269,116
	<u>\$ 206,099,041</u>	<u>\$ 203,410,658</u>

Investments - Statutes authorize the Board to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poors Corporation or P-1 by Moody's Commercial Paper Record, repurchase agreements, and the Louisiana Asset Management Pool (LAMP). In addition, the pension trust fund is authorized to invest in corporate bonds rated BBB or better by Standard & Poors Corporation or Baa or better by Moody's Investors Service, and equity securities.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to provide immediate access to participants. The fair market value of investments is determined on a weekly basis to monitor any



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(2) Cash and Investments (continued)

variances between amortized cost and market value and the value of the position in the external investment pool is the same as the net asset value of the pool shares. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is subject to the regulatory oversight of the state treasurer and LAMP's board of directors. LAMP is not registered with the SEC as an investment company.

Under the provisions of its benefit plan and state law, the Board's pension benefit trust engages in securities lending to broker dealers and other entities for cash collateral that will be returned for the same securities in the future. The cash collateral cannot be liquidated by the Board unless the borrower defaults. Cash collateral is initially pledged at 102.49% of the market value of securities lent and additional collateral is provided by the next business day if the value falls to less than 100% of the market value of the securities lent. No collateral exposure existed at December 31, 2012 and 2011. The value of securities lent at December 31, 2012 and 2011 was \$42,044,678 and \$40,805,211, respectively. The market value of the cash collateral at December 31, 2012 and 2011 was \$43,091,726 and \$41,206,879, respectively.

Credit Risk - State law limits investments in securities issued, or backed by United States Treasury obligations, and U.S. Government instrumentalities, which are federally sponsored. The Board's investment policy does not further limit its investment choices. LAMP is rated AAAM by Standard & Poor's. The Pension Trust Fund's investment policy requires that fixed income investments be investment grade (BBB or higher as rated by Standard & Poor's or Baa or higher as rated by Moody's). Bonds rated below BBB/Baa are not to exceed 15% of the portfolio and non-rated bonds are not to exceed 1% of the portfolio.

Following are the credit risk ratings of the pension trust fund's investments in debt securities as of December 31, 2012:

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

(2) Cash and Investments (continued)

<u>Rating</u>	<u>Corporate Bonds</u>	<u>Foreign Government Bonds</u>	<u>Government Bonds and U.S. Treasury Notes</u>	<u>Other</u>	<u>Total</u>	<u>Percentage of Total</u>
AAA	\$ -	\$ 8,654,167	\$ 8,661,704	\$ 6,980,665	\$24,296,536	32.75%
AA+	214,951	-	26,608,679	-	26,823,630	36.16%
AA	-	5,657	3,218,609	-	3,224,266	4.35%
AA-	90,506	363,866	73,536	-	527,908	0.71%
A+	96,162	5,657	271,517	-	373,336	0.50%
A	769,299	373,336	452,529	-	1,595,164	2.15%
A-	2,211,733	412,932	514,751	-	3,139,416	4.23%
BBB+	1,680,012	-	260,204	-	1,940,216	2.62%
BBB	2,800,020	599,600	548,691	-	3,948,311	5.32%
BBB-	2,952,749	73,536	282,830	-	3,309,115	4.46%
BB+	599,600	164,042	73,536	-	837,178	1.13%
BB	418,589	124,445	130,102	-	673,136	0.91%
BB-	627,883	101,819	90,506	-	820,208	1.11%
B+	543,034	130,102	135,759	-	808,895	1.09%
B	412,932	73,536	45,253	-	531,721	0.72%
B-	152,728	50,909	62,223	-	265,860	0.36%
CCC+	186,668	-	45,253	-	231,921	0.31%
CCC	50,909	-	45,253	-	96,162	0.13%
CCC-	-	-	124,445	-	124,445	0.17%
CC	-	-	5,657	-	5,657	0.01%
C	-	-	-	-	-	0.00%
D	-	-	124,445	-	124,445	0.17%
Not Rated	322,430	158,385	-	3,715	484,530	0.65%
Total	<u>\$14,130,205</u>	<u>\$11,291,989</u>	<u>\$ 41,775,482</u>	<u>\$ 6,984,380</u>	<u>\$74,182,056</u>	<u>100%</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (2) Cash and Investments (continued)

Following are the credit risk ratings of the pension trust fund's investments in debt securities as of December 31, 2011:

Rating	Corporate Bonds	Foreign Government Bonds	Government Bonds and U.S. Treasury Notes	Other	Total	Percentage of Total
AAA	\$ 6,159	\$ 9,799,877	\$ 16,416,370	\$ 3,472,025	\$ 29,694,431	40.65%
AA+	190,229	72,714	237,116	63,228	563,287	0.77%
AA	-	8,336	20,466,793	690,232	21,165,361	28.97%
AA-	122,283	2,891	23,046	28,261	176,481	0.24%
A+	402,411	62,284	18,874	104,452	588,021	0.80%
A	1,052,319	97,250	6,507	243,964	1,400,040	1.92%
A-	2,461,801	19,271	23,940	41,771	2,546,783	3.49%
BBB+	2,059,547	5,389	-	265,625	2,330,561	3.19%
BBB	3,880,999	597,460	-	386,988	4,865,447	6.66%
BBB-	2,647,619	117,978	-	172,845	2,938,442	4.02%
BB+	978,560	133,763	109,369	24,884	1,246,576	1.71%
BB	630,526	271,238	106,538	211,782	1,220,084	1.67%
BB-	517,220	76,420	-	44,006	637,646	0.87%
B+	416,418	366,083	1,242	37,301	821,044	1.12%
B	386,728	108,271	8,295	125,045	628,339	0.86%
B-	266,278	49,478	-	84,088	399,844	0.55%
CCC+	178,648	-	50,711	46,837	276,196	0.38%
CCC	44,487	-	35,960	111,478	191,925	0.26%
CCC-	9,567	-	-	148,756	158,323	0.22%
CC	2,179	-	-	20,801	22,980	0.03%
C	-	-	-	16,213	16,213	0.02%
D	-	-	14,602	86,132	100,734	0.14%
Not Rated	99,589	262,783	74,751	629,966	1,067,089	1.46%
Total	<u>\$ 16,353,567</u>	<u>\$ 12,051,486</u>	<u>\$ 37,594,114</u>	<u>\$ 7,056,680</u>	<u>\$ 73,055,847</u>	<u>100.00%</u>

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Board has a formal investment policy that states that the investment portfolio shall remain sufficiently liquid to meet all operating and capital requirements that may be reasonably anticipated and that maturities of investments are to be structured concurrent with cash needs to meet anticipated demand.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (2) Cash and Investments (continued)

As of December 31, 2012, the pension trust fund had the following investments in debt securities and maturities:

Investment Type	Duration					Total
	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 1,114,352	\$ 7,528,944	\$ 2,952,749	\$ 1,877,994	\$ 656,166	\$ 14,130,205
Foreign Government Bonds	559,388	567,138	3,326,619	6,369,346	469,498	11,291,989
Government Bonds and U.S. Treasury Notes	1,153,948	25,068,149	7,003,585	5,670,587	2,879,213	41,775,482
Other	1,073,226	-	-	-	5,911,154	6,984,380
Total	<u>\$ 3,900,914</u>	<u>\$ 33,164,231</u>	<u>\$ 13,282,953</u>	<u>\$ 13,917,927</u>	<u>\$ 9,916,031</u>	<u>\$ 74,182,056</u>

As of December 31, 2011, the pension trust fund had the following investments in debt securities and maturities:

Investment Type	Duration					Total
	Less Than 1 Year	1 - 5 Years	6 - 10 Years	Greater Than 10 Years	Duration Not Available	
Corporate Bonds	\$ 721,618	\$ 8,023,780	\$ 5,869,043	\$ 1,717,753	\$ 21,373	\$ 16,353,567
Foreign Government Bonds	796,396	2,849,951	2,995,207	5,409,932	-	12,051,486
Government Bonds and U.S. Treasury Notes	3,132,683	22,000,038	5,194,764	7,265,188	1,441	37,594,114
Other	2,409,002	3,325,146	245,887	474,501	602,144	7,056,680
Total	<u>\$ 7,059,699</u>	<u>\$ 36,198,915</u>	<u>\$ 14,304,901</u>	<u>\$ 14,867,374</u>	<u>\$ 624,958</u>	<u>\$ 73,055,847</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (3) Defined Benefit Pension Plan

The Board has a single-employer contributory retirement plan covering all full-time employees, the Pension Trust Fund (PTF). The Board's payroll for current employees covered by the PTF for the years ended December 31, 2012 and 2011 was \$29,074,529 and \$29,774,937, respectively; such amounts exclude overtime and standby payroll. Total payroll, including overtime and standby payroll, was \$46,538,998 and \$44,768,936 for the years ended December 31, 2012 and 2011, respectively. At December 31, the PTF membership consisted of:

	<u>2012</u>	<u>2011</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	834	822
Current employees:		
Vested	509	519
Non-vested	<u>333</u>	<u>333</u>
	<u>842</u>	<u>852</u>
Total	<u>1,676</u>	<u>1,674</u>

The benefit provisions were established by action of the Board in 1956 in accordance with Louisiana statutes. The Board retains exclusive control over the plan through the Pension Committee of the PTF. Effective January 1, 1996, the plan became qualified under Internal Revenue Code Section 401(a) and thus is tax exempt.

The plan provides for retirement benefits as well as death and disability benefits. All benefits vest after ten years of service. Employees who retire at or after age sixty-five with ten years of credited service are entitled to an annual retirement benefit, payable biweekly for life, in an amount equal to two percent of their average compensation for each year of credited service up to ten years, increasing by (1) one-half percent per year for service years over ten years, (2) an additional one-half percent per year for service years over twenty years and (3) an additional one percent per year for service years over thirty years, for a maximum of four percent for each year of credited service. Average compensation is the average annual earned compensation (prior to 2002, less \$1,200) for the period of thirty-six successive months of service during which the employee's compensation was the highest. Employees with thirty years or more of credited service may retire without a reduction in benefits. Employees may retire prior to age sixty-two without thirty years of service with a reduction in benefits of three percent for each year of age below the age of sixty-two. If an employee leaves covered employment or dies before three years of credited service, the accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The retirement allowance for retirees over age sixty-two is subject to a cost of living adjustment each January 1, provided that the member retired on or after January 1, 1984. The adjustment is based on the increase in the Consumer Price Index for all urban wage earners published by the U.S. Department of Labor, but is limited to an annual maximum of two percent on the first \$10,000 of initial retirement benefits.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (3) Defined Benefit Pension Plan (continued)

Effective September 23, 1993, employers may transfer credit between the Board's plan and the City of New Orleans' retirement system with full credit for vested service. The Board and its employees are obligated under plan provisions to make all required contributions to the plan. The required contributions are actuarially determined. Level percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method. Employees are required to contribute four percent of their regular salaries or wages.

The Board had attained full funding of the actuarially computed pension liability in 2000. Effective June 19, 2002, however, as a result of the adoption of several plan changes in accordance with the Board's reciprocity agreement with the City of New Orleans, the plan became unfunded. These changes impacted the plan's funding requirements by \$20,333,835, which is being amortized over a 10 year period. Key changes adopted included: (a) amendment to benefit formula; (b) adoption of a "Rule of 80" retirement; (c) change in the years of service required for a terminating employee to qualify for a later separation benefit from 10 years to 5 years; and (d) elimination of the exclusion of the first \$1,200 of earnings from benefits and contributions. At December 31, 2012, the actuarially computed pension liability is unfunded by \$53,965,718.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increase of 5.0% per year. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of assets was determined using a seven-year weighted market average.

The Board's net pension activity for the years ended December 31 was as follows:

	<u>2012</u>	<u>2011</u>
Annual required contribution	\$ 9,127,658	\$ 9,815,606
Interest on net pension obligation	622,183	348,324
Adjustments to annual required contribution	<u>(1,226,625)</u>	<u>(686,715)</u>
Annual pension cost	8,523,216	9,477,215
Contributions made	<u>(6,287,658)</u>	<u>(5,564,936)</u>
Increase in net pension liability	2,235,558	3,912,279
Net pension liability, beginning of year	<u>8,888,332</u>	<u>4,976,053</u>
Net pension liability, end of year	\$ <u>11,123,890</u>	\$ <u>8,888,332</u>

The net pension liability is being amortized over 10 years as of December 31, 2012, using the level dollar closed method and using the same interest, salary increase and inflation factors as the plan.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (3) Defined Benefit Pension Plan (continued)

Trend information for Board and employee contributions is as follows:

	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Liability) Asset</u>
Fiscal year ending:			
December 31, 2012	\$ 8,523,216	74%	\$ (11,123,890)
December 31, 2011	\$ 9,477,215	59%	\$ (8,888,332)
December 31, 2010	\$ 8,230,508	62%	\$ (4,976,053)

The actuarially determined contribution requirement for the Board was 31.394% for 2012 and 32.966% for 2011. The contribution requirement for employees is 4.0%. The actual Board's and employees' contributions (including contributions for transferred employees from other pension plans) for the years ended December 31 were as follows:

	<u>2012</u>	<u>2011</u>
Employer and other transfers	\$ 6,114,997	\$ 5,436,700
Employee	<u>1,128,257</u>	<u>1,161,996</u>
Total contributions	\$ <u>7,243,254</u>	\$ <u>6,598,696</u>

### Funded Status and Funding Progress

The funded status of the Plan as of December 31, 2012 and 2011, respectively, is based on the most recent actuarial valuation as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2012	\$ 229,633,410	\$ 283,599,128	\$ 53,965,718	80.97%	\$ 29,074,529	185.61%
2011	\$ 229,137,699	\$ 285,509,317	\$ 56,371,618	80.26%	\$ 29,774,937	189.33%

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(3) Defined Benefit Pension Plan (continued)

DROP

Beginning in 1996, the Board offered employees a "Deferred Retirement Option Plan" (DROP), an optional retirement program which allows an employee to elect to freeze his or her retirement benefits, but continue to work and draw a salary for a minimum period of one year to a maximum period of five years. While continuing employment, the retirement benefits are segregated from overall plan assets available to other participants. As of December 31, 2012 and 2011, 135 and 133 employees, respectively, participated in the plan. The amount of plan assets segregated for these individuals was \$12,200,194 and \$9,121,044 as of December 31, 2012 and 2011, respectively.

A separate report on the pension trust fund is not issued.

(4) Property, Plant and Equipment

The useful lives of property, plant and equipment consisted of the following:

Power and pumping stations - buildings	57 years
Power and pumping stations - machinery	40 years
Distribution systems	75 years
Sewerage collection	75 years
Canals and subsurface drains	75 to 100 years
Treatment plants	50 years
Connections and meters	50 years
Power transmission	50 years
General plant	12 years
General buildings	25 years

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

(4) Property, Plant and Equipment (continued)

Property, plant and equipment consisted of the following as of December 31:

Cost	2012			
	Beginning Balance	Additions	Deletions	Ending Balance
Real estate rights, non depreciable	\$ 9,427,464	\$ 3,926,769.00	\$ -	\$ 13,354,233
Power and pumping stations - buildings	333,280,542	33,710,202	-	366,990,744
Power and pumping stations - machinery	243,528,616	54,112,996	-	297,641,612
Distribution systems	124,628,688	98,261,801	(353,588)	222,536,901
Sewerage collection	344,666,880	112,840,332	(1,812,752)	455,694,460
Canals and subsurface drainage	319,283,473	67,685,009	-	386,968,482
Treatment plants	139,877,046	54,826,990	-	194,704,036
Connections and meters	48,296,840	45,955,618	(116,274)	94,136,184
Power transmission	23,607,668	4,579,887	-	28,187,555
General plant	201,893,205	64,368,129	(927,208)	265,334,126
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,796,076,969	540,267,733	(3,209,822)	2,333,134,880
Construction in progress	730,395,298	188,191,832	(540,267,733)	378,319,397
Total property, plant and equipment	2,526,472,267	728,459,565	(543,477,555)	2,711,454,277
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings	115,313,547	6,503,543	-	121,817,090
Power and pumping stations - machinery	138,692,879	7,439,784	-	146,132,663
Distribution systems	44,291,260	2,959,741	(353,588)	46,897,413
Sewerage collection	39,215,716	6,060,737	(1,812,752)	43,463,701
Canals and subsurface drainage	66,131,974	3,926,943	-	70,058,917
Treatment plants	52,918,289	3,897,729	-	56,816,018
Connections and meters	29,109,935	1,882,723	(116,274)	30,876,384
Power transmission	13,359,413	563,752	-	13,923,165
General plant	201,893,205	5,473,541	(927,208)	206,439,538
General buildings	6,194,003	303,462	-	6,497,465
Total accumulated depreciation	707,120,221	39,011,955	(3,209,822)	742,922,354
Net property, plant, and equipment	\$ 1,819,352,046	\$ 689,447,610	\$ (540,267,733)	\$ 1,968,531,923

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (4) Property, Plant and Equipment (continued)

Cost	2011			
	Beginning Balance	Additions	Deletions	Ending Balance
Real estate rights, non depreciable	\$ 9,425,978	\$ 1,486	\$ -	\$ 9,427,464
Power and pumping stations - buildings	331,021,168	2,259,374	-	333,280,542
Power and pumping stations - machinery	242,771,848	756,768	-	243,528,616
Distribution systems	125,323,381	43,552	(738,245)	124,628,688
Sewerage collection	329,292,709	17,344,273	(1,970,102)	344,666,880
Canals and subsurface drainage	318,060,376	1,223,097	-	319,283,473
Treatment plants	139,681,699	195,347	-	139,877,046
Connections and meters	46,426,256	1,951,838	(81,254)	48,296,840
Power transmission	23,607,668	-	-	23,607,668
General plant	201,908,791	-	(15,586)	201,893,205
General buildings	7,586,547	-	-	7,586,547
Total property, plant and equipment in service	1,775,106,421	23,775,735	(2,805,187)	1,796,076,969
Construction in progress	610,506,545	143,664,488	(23,775,735)	730,395,298
Total property, plant and equipment	2,385,612,966	167,440,223	(26,580,922)	2,526,472,267
<b>Accumulated Depreciation</b>				
Power and pumping stations - buildings	105,055,703	10,257,844	-	115,313,547
Power and pumping stations - machinery	128,176,937	10,515,942	-	138,692,879
Distribution systems	43,375,489	1,654,016	(738,245)	44,291,260
Sewerage collection	36,601,742	4,584,076	(1,970,102)	39,215,716
Canals and subsurface drainage	62,910,666	3,221,308	-	66,131,974
Treatment plants	50,120,748	2,797,541	-	52,918,289
Connections and meters	28,225,252	965,937	(81,254)	29,109,935
Power transmission	12,887,260	472,153	-	13,359,413
General plant	201,908,791	-	(15,586)	201,893,205
General buildings	5,890,541	303,462	-	6,194,003
Total accumulated depreciation	675,153,129	34,772,279	(2,805,187)	707,120,221
Net property, plant, and equipment	\$ 1,710,459,837	\$ 132,667,944	\$ (23,775,735)	\$ 1,819,352,046



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**(4) Property, Plant and Equipment (continued)**

Interest capitalized was as follows for the years ended December 31:

	<b>2012</b>		<b>2011</b>
Interest income	\$ 28,757	\$	55,951
Interest expense	(14,433,447)		(11,020,055)
Net interest capitalized	\$ (14,404,690)	\$	(10,964,104)

**(5) Customer Receivables**

Customer receivables as of December 31 consist of the following:

		<b>Customer Accounts</b>	<b>Allowance for Doubtful Accounts</b>	<b>Net</b>
2012	Water	\$ 11,480,993	\$ 4,167,429	\$ 7,313,564
	Sewer	9,547,277	3,305,770	6,241,507
		\$ 21,028,270	\$ 7,473,199	\$ 13,555,071
2011	Water	\$ 11,650,661	\$ 4,625,563	\$ 7,025,098
	Sewer	9,476,841	4,026,156	5,450,685
		\$ 21,127,502	\$ 8,651,719	\$ 12,475,783

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (6) Changes in Long-term Obligations

#### (A) Bonds Payable

Bonds payable consisted of the following as of December 31:

	<u>Principal Balances</u>	
	<u>2012</u>	<u>2011</u>
5.00% to 6.25% sewerage revenue bonds, series 1997 (initial average interest cost 5.36%), due in annual principal installments ranging from \$1,100,000 to \$2,425,000; final payment due June 1, 2017	\$ 10,875,000	\$ 12,715,000
4.125% to 6.125% water revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$625,000 to \$1,220,000; final payment due December 1, 2018	6,535,000	7,460,000
4.125% to 6.000% sewer revenue bonds, series 1998 (initial average interest cost 4.82%), due in annual principal installments ranging from \$950,000 to \$1,910,000; final payment due June 1, 2018	10,215,000	11,660,000
4.10% to 6.10% drainage system bonds, series 1998 (initial average interest cost 4.84%), due in annual principal installments ranging from \$370,000 to \$760,000; final payment due December 1, 2018	4,040,000	4,610,000
5.25% to 6.50% sewer revenue bonds, series 2000 (initial average interest cost 5.48%), due in annual principal installments ranging from \$820,000 to \$2,205,000; final payment due June 1, 2020	14,505,000	15,890,000
5.00% to 7.00% sewer revenue bonds, series 2000B (initial average interest cost 5.43%), due in annual principal installments ranging from \$640,000 to \$1,660,000; final payment due June 1, 2020	10,995,000	12,055,000
4.40% to 6.70% sewer revenue bonds, series 2001 (initial average interest cost 5.02%), due in annual principal installments ranging from \$1,100,000 to \$2,455,000; final payment due June 1, 2021	18,370,000	19,985,000
3.00% to 5.00% sewerage service revenue bonds, series 2002 (initial average interest cost 4.36%; due in annual principal installments ranging from \$1,635,000 to \$4,520,000; final payment due June 1, 2022.	35,950,000	38,595,000

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### (6) Changes in Long-term Obligations (continued)

#### (A) Bonds Payable (continued)

	<u>Principal Balances</u>	
	<u>2012</u>	<u>2011</u>
3.00% to 5.00% water revenue bonds, series 2002 (initial average interest cost 4.57%, due in annual principal installments ranging from \$945,000 to \$3,658,000; final payment due December 1, 2022.	\$ 23,555,000	\$ 24,955,000
3.45% to 6.00% drainage system bonds, series 2002 (initial average interest cost 4.46%), due in annual principal installments ranging from \$510,000 to \$2,155,000; final payment due December 1, 2022.	13,590,000	14,380,000
2.20% to 5.00% sewerage service revenue bonds, series 2003 (initial average interest cost 3.94%); due in annual principal installments ranging from \$140,000 to \$395,000; final payment due June 1, 2023.	3,530,000	3,780,000
3.25% to 6.00% sewerage service revenue bonds, series 2004 (initial average interest cost 4.26%); due in annual principal installments ranging from \$945,000 to \$3,685,000; final payment due June 1, 2024.	22,885,000	24,315,000
3.40% to 6.25% sewerage service revenue refunding bonds, series 2009 (initial average interest cost 6.68%); due in annual principal installments ranging from \$680,000 to \$1,945,000; final payment due June 1, 2029.	21,260,000	21,990,000
2.95% LADHH Loan Revenue bonds, series 2010A; due in certain percentage of total drawdown; final payment due February 1, 2030.	746,003	628,127
2.95% LADHH Loan Revenue bonds, series 2010B; due in certain percentage of total drawdown; final payment due February 1, 2030.	1,252,633	875,707
0.45% sewerage service subordinate revenue bonds, series 2011 (initial average interest cost 0.95%); due in annual principal installments ranging from \$411,000 to \$491,000; final payment due December 1, 2032.	7,471,505	98,375
	205,775,141	213,992,209
Plus: bond premiums	686,401	831,728
Total	206,461,542	214,823,937
Less: current maturities	(17,382,000)	(16,149,000)
Bond payable, long-term	\$ 189,079,542	\$ 198,674,937

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (6) Changes in Long-term Obligations (continued)

#### (A) Bonds Payable (continued)

The changes in long-term debt were as follows:

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 213,992,209	\$ 228,357,842
Payments	(16,175,000)	(15,360,000)
Proceeds	7,957,932	994,367
Balance, end of year	<u>\$ 205,775,141</u>	<u>\$ 213,992,209</u>

The annual requirements to amortize bonds payable as of December 31, 2012, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 17,382,000	\$ 9,596,438	\$ 26,978,438
2014	18,238,000	8,777,099	27,015,099
2015	19,129,000	7,879,643	27,008,643
2016	20,084,000	6,937,967	27,021,967
2017	21,111,000	5,936,446	27,047,446
2018-2022	89,114,000	15,379,185	104,493,185
2023-2027	15,668,000	2,801,140	18,469,140
2028-2030	5,049,141	262,876	5,312,017
	<u>\$ 205,775,141</u>	<u>\$ 57,570,794</u>	<u>\$ 263,345,935</u>

The amount of revenue bonds and tax bonds payable as of December 31, 2012, are as follows:

<u>Year</u>	<u>Revenue Bonds</u>	<u>Tax Bonds</u>	<u>Total</u>
2013	\$ 15,957,000	\$ 1,425,000	\$ 17,382,000
2014	16,748,000	1,490,000	18,238,000
2015	17,574,000	1,555,000	19,129,000
2016	18,459,000	1,625,000	20,084,000
2017	19,406,000	1,705,000	21,111,000
2018-2022	79,284,000	9,830,000	89,114,000
2023-2027	15,668,000	-	15,668,000
2028-2030	5,049,141	-	5,049,141
	<u>\$ 188,145,141</u>	<u>\$ 17,630,000</u>	<u>\$ 205,775,141</u>

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(6) Changes in Long-term Obligations (continued)

(A) Bonds Payable (continued)

The indentures under which these bonds were issued provide for the establishment of restricted funds for debt service as follows:

1. Debt service funds are required for the payment of interest and principal on the revenue and tax bonds. Monthly deposits on revenue bonds, excluding bond anticipation notes, are required to be made into this fund from operations in an amount equal to 1/6 of the interest falling due on the next interest payment date, and an amount equal to 1/12 of the principal falling due on the next principal payment date. All debt service funds are administered by the Board of Liquidation. The required amount to be accumulated in this fund was \$8,793,211 and \$8,280,401 at December 31, 2012 and 2011, respectively; the accumulated balance at December 31, 2012 and 2011 was \$12,757,324 and \$10,564,501 respectively. Monthly deposits to the debt service funds were temporarily suspended due to debt service payments being paid directly by the State of Louisiana through a Cooperative Endeavor Agreement and resumed as of June 2008. See note (6) (D) for additional information.
2. A debt service reserve is required for an amount equal to but not less than fifty percent of the amount required to be credited in said month to the debt service fund until there shall be accumulated in the debt service reserve account the largest amount required in any future calendar year to pay the principal and interest on outstanding bonds, except for the water and sewer bonds. The water bonds require an amount equal to the largest amount required in any future calendar year to pay the principal of and interest on outstanding bonds. There is no debt service reserve required for the 1998 and 2002 drainage 9 mill tax bonds. The sewer bonds require an amount equal to 125% of average aggregate debt service. The amounts required to be accumulated in this fund were \$16,424,834 and \$17,136,874 at December 31, 2012 and 2011 respectively; the accumulated balance at December 31, 2012 and 2011 was \$20,092,504.

The Board was in compliance with the requirements of its long-term debt agreements for the Water Department for the years ended December 31, 2012 and 2011.

The Board was in compliance with the requirements of its long-term debt agreements for the Sewer Department for the years ended December 31, 2012 and 2011.

(B) Special Community Disaster Loan Payable

During January 2006, the Board entered into a long-term agreement with the Federal Emergency Management Agency under the Community Disaster Loan Act of 2005 as a result of the major disaster declaration of August 29, 2005 for Hurricane Katrina. The loan was for a term of five years, which may be extended, and shall bear interest at the latest five-year Treasury rate at the time of the closing date of the loan, plus one percent. Simple interest accrues from the date of each disbursement. Payments of principal and interest are deferred until the end of the five year period.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (6) Changes in Long-term Obligations (continued)

#### (B) Special Community Disaster Loan Payable (continued)

In December 2010, the Board was granted a partial forgiveness of this loan in the amount of \$36,790,000 of principal and \$4,648,410 of accrued interest. In addition, the Board was granted a 5 year extension on the payment date. As of December 31, 2012 and 2011, accrued interest on the loan was approximately \$4.4 million and \$3.7 million, respectively. Interest rate and maturity date for the loan are now as follows:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal</u>
August 27, 2016	2.93%	\$ 25,166,747

Operating revenues are pledged as security for the loan. Debt service requirements relating to the loan due in 2016 include \$25,166,747 of principal and \$7,104,758 of interest.

#### (C) LADHH Bonds Series 2010

The Board, in conjunction with the City, entered into an agreement with the Louisiana Department of Health and Hospitals (the Department) whereby the Department has committed to loan the City up to \$3,400,000 to fund the installation of a new sodium hypochlorite storage and feed facility as well as the installation of a new sludge line into the Mississippi River (Project). The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the Department will be evidenced through the LADHH bonds payable and the Board will pay the bonds in 20 principal installments, payable annually beginning no later than 2 years after the Closing Date (February 1, 2010) or 1 year after the completion of the Project. Each annual installment due is based upon a pre-determined percentage of the ultimate amount of the borrowing that is not forgivable (see forgiveness provisions in the following paragraph). Principal payments of the amount repayable began February 1, 2011. Interest on the bonds is incurred at the rate of 2.95% and payment thereof began August 1, 2010 and is due semi-annually thereafter. As of December 31, 2012, the Project has been completed, and the amount of advances totaled \$3,113,636.

A portion of the LADHH bonds payable is to be funded with amounts provided under the American Recovery and Reinvestment Act (ARRA). Up to \$1,000,000 of the ARRA Loan can be forgiven. The City received advances of \$3,113,636 as of December 31, 2012. Of this amount, \$1,000,000 has been forgiven, \$115,000 has been repaid, and the remaining balance of \$1,998,636 is recorded as bonds payable at December 31, 2012. The Board received advances of \$2,157,836 as of December 31, 2011. Of this amount, \$629,002 has been forgiven, and \$1,503,834 is recorded as bonds payable at December 31, 2011.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (6) Changes in Long-term Obligations (continued)

#### (D) Sewerage Service Subordinate Revenue Bonds, Series 2011

The City entered into an agreement with the Louisiana Department of Environmental Quality (LDEQ) whereby the LDEQ has committed to loan the Board \$9,000,000 to fund sewer main replacements, point repairs, replacement of associated service connections and laterals, sewer line rehabilitation by cured in-place pipe lining and manhole rehabilitation. The loan is to be advanced in incremental amounts as project costs are incurred. The indebtedness to the LDEQ will be evidenced through the Sewerage Service Subordinate Revenue Bonds, Series 2011. Annual principal payments will be due beginning November 1, 2013 and continuing through November 1, 2032. Interest on the bonds is incurred at the rate of 0.45%, and the LDEQ administrative fee rate is 0.5%. Interest and administrative fee payments begin on May 1, 2012 and are due semi-annually thereafter. As of December 31, 2012 and 2011, \$7,471,505 and \$98,375, respectively, have been drawn down on the loan and is recorded as bonds payable.

#### (E) Debt Service Assistance

In July 2006, the Board and the State of Louisiana (the State) entered into a Cooperative Endeavor Agreement whereby the State agreed to lend up to \$77,465,247 from State funds on deposit in the Debt Service Assistance Fund, authorized by the Gulf Opportunity Zone Act of 2005 and Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006, to assist in payment of debt service requirements from 2006 through 2008 due to disruption of tax bases and revenue streams caused by Hurricanes Katrina and Rita. Draw downs on the loan will be made as debt service payments become due. No principal or interest shall be payable during the initial five year period of the loan. After the expiration of the initial five year period, the loan shall bear interest at a fixed rate of 4.64 percent. Principal payments on the bonds began in July 2012 and the loan will mature in July 2026. Interest is payable semi-annually on January 15 and July 15 beginning January 2012. The loan may be prepaid without penalty or premium.

As of December 31, 2012, debt service requirements relating to the bond are as follows:

<u>Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,859,428	\$ 3,423,251	\$ 7,282,679
2014	4,038,505	3,244,173	7,282,678
2015	4,225,892	3,056,787	7,282,679
2016	4,421,973	2,860,705	7,282,678
2017	4,627,153	2,655,526	7,282,679
2018-2022	26,562,566	9,850,826	36,413,392
2023-2026	26,041,450	3,089,273	29,130,723
	<u>\$ 73,776,967</u>	<u>\$ 28,180,541</u>	<u>\$ 101,957,508</u>

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(6) Changes in Long-term Obligations (continued)

(F) Southeast Louisiana Project

In 2010, the Coastal Protection and Restoration Authority of Louisiana entered into agreements (SELA PPA and SELA DPA) with the Department of the Army for the Southeast Louisiana, Louisiana Project in Jefferson and Orleans Parishes (the Project). The purpose of the Project is to provide flood damage reduction and interior drainage for Orleans and Jefferson Parishes in southeast Louisiana. The agreements set forth the obligations of the federal government and non-federal sponsors, including the Board, regarding the construction and the operation, maintenance, repair, rehabilitation, and replacement of the Project. For the projects, the federal government is liable for 65% of the project costs and the non-federal sponsors are liable for the remaining 35%. Under the agreement, the Department of the Army, subject to the availability of funds appropriated by the Congress of the United States, shall design and construct specified work at 100% federal expense. The Board will be allowed to defer payment of its required non-federal contribution of funds of 35% and to pay said contribution of funds with interest over a period of not more than 30 years from the date of completion of the project or separable element of the project. The interest rate to be used in computing the interest shall be determined by the Secretary of the Treasury, taking into consideration average market yields on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the payment period during the month preceding the Government fiscal year in which the first federal construction contract for such separable element is awarded to the SELA PPA, plus a premium of one-eighth of one percentage point for transaction costs.

(7) Due to City of New Orleans

The Board bills and collects sanitation charges on behalf of the City of New Orleans (the City). The Board is not liable for any uncollected sanitation charges.

Additionally, amounts included in accounts payable due to the City were \$10,889,569 and \$14,715,479 at December 31, 2012 and 2011, respectively.

(8) Property Taxes

Property taxes are levied by the City of New Orleans. Taxes on real and personal property attach as an enforceable lien on the property as of January 1. Taxes are levied on January 1, payable on January 1, and delinquent on February 1.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(8) Property Taxes (continued)

The assessed value of the property is determined by an elected Assessor. The assessed value for 2012 and 2011 was \$2,949,672,237 and \$2,766,725,610, respectively. The combined tax rate dedicated for the Board for the years ended December 31, 2012 and 2011 was \$16.43 per \$1,000 of assessed valuation. These dedicated funds are available for operations, maintenance, construction and extension of the drainage system (except for subsurface systems).

(9) Commitments

(A) Capital Improvements

At December 31, 2012, the Board's budget for its ten year capital improvements program totaled \$2,877,910,000 including \$502,600,000 for water, \$308,266,000 for sewerage and \$2,067,044 for drainage.

Due to certain regulatory and legislative changes, additional capital improvements will probably be required. Future capital improvement program expenditures may require the issuance of additional debt depending on the amount and timing of expenditures. As of December 31, 2012, the Board has committed or appropriated \$61,355,875 in investments for use in future capital projects and has \$319,442 of bond proceeds remaining for construction. The capital project investments are included in restricted assets.

The capital improvements budget for 2013 is \$1,502,628,000 including \$76,005,000 for projects, which are expected to be funded by federal grants and programs. Significant projects included in property, plant and equipment in progress as of December 31, 2012 include the following:

- Hurricane Katrina related Repairs and Replacements
- Southeast Louisiana Flood Control Program
- Sewer System Sanitation Evaluation and Rehabilitation Program
  - Drainage Pumping Station #1
  - Eastbank Sewer Treatment Plant
  - Westbank Sewer Treatment Plant
- Sodium Hypochlorite Bulk Storage/Feed Facility at the Main Water Purification Plant
- Wetlands Assimilation Project

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (9) Commitments (continued)

#### (B) Self-insurance

The Board is self-insured for general liability, workers' compensation, and hospitalization benefits and claims. Settled claims have not exceeded excess coverage in any of the past three fiscal years. Hospitalization benefits are charged to payroll related expense.

General liability claims are segregated internally by "claims" and "suits" depending on the scope and type of claim, and are handled by the Office of the Special Counsel and Administrative Services. Individual general liability losses have ranged from \$100 to \$7,500,000, illustrating the volatility of this exposure. The provision for claims for 2012 and 2011 amounted to a decrease of \$1,245,349 and a decrease of \$4,372,097 in general liability claims payable, respectively.

Worker's compensation expense provision for 2012 and 2011 amounted to \$2,003,423 and \$1,132,569, respectively.

The hospitalization self-insurance benefits are administered by Blue Cross of Louisiana. The Board's expense provision in excess of employee contributions for 2012 and 2011 was approximately \$13,384,591 and \$13,252,400, respectively, and is included in payroll related expenses.

Changes in the claims payable amount are as follows (health payments are reflected net):

Fiscal Year	Beginning of Year	Current Year Claims and Estimate Change	Claim Payments	End of Year
2012	\$ 14,901,481	\$ 13,345,714	\$ (15,036,009)	\$ 13,211,186
2011	\$ 21,030,331	\$ 9,348,118	\$ (15,476,968)	\$ 14,901,481

The composition of claims payable is as follows:

	2012	2011
Short-term:		
Workers' compensation	\$ 1,372,932	\$ 1,085,349
Health insurance	2,214,496	2,093,499
General liability	7,389,680	8,861,192
Total short-term	10,977,118	12,040,040
Long-term:		
Workers' compensation	2,234,076	2,861,441
Total long-term	2,234,076	2,861,441
Total	\$ 13,211,184	\$ 14,901,481



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(9) Commitments (continued)

(C) Regulatory Matters

The Sewer System Evaluation and Rehabilitation Program (SSERP) was initially estimated to cost the Board \$408.2 million by the original Consent Decree end date of 2015. However, the Board has negotiated, and continues to negotiate with U.S. Environmental Protection Agency (EPA), extensions beyond the original Consent Decree deadline. Consequently, the original Consent Decree has been modified to currently provide an end date of October 2019.

The Board is also participating in Federal financial award programs which are subject to financial and compliance audits by various agencies. No disallowed costs have been identified. As part of Federal and other governmental agency funding, the Board is required to match a portion of funding received. The Board believes it has sufficient funds to meet its matching requirements.

(D) Postemployment Healthcare Benefits

**Plan Description** – The Board's postemployment benefit plan is a single-employer defined benefit plan. The Board's post-employment medical benefits for retirees are provided through a self-insured medical plan and are made available to employees upon actual retirement.

The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 62 and 10 years of service; age 65 and 5 years of service; age 70 regardless of service; or, if age plus service equals at least 80. Complete plan provisions are contained in the official plan documents. Currently, the Board provides post employment medical benefits to 672 retired employees.

**Contribution Rates** - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy** - Until 2007, the Board recognized the cost of providing post-employment medical benefits (the Board's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2012 and 2011, the Board's portion of health care funding cost for retired employees totaled \$6,412,644 and \$6,325,076, respectively. Effective January 1, 2007, the Board applies this amount toward the Net OPEB Benefit Obligation as shown in the tables on the following page.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (9) Commitments (continued)

#### (D) Postemployment Healthcare Benefits (continued)

Annual Required Contribution - The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2012</u>	<u>2011</u>
Normal cost	\$ 4,233,408	\$ 4,326,296
30-year UAL amortization amount	10,196,635	10,333,149
Annual required contribution (ARC)	<u>\$ 14,430,043</u>	<u>\$ 14,659,445</u>

Net Post-employment Benefit Obligation - The table below shows the Board's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending December 31:

	<u>2012</u>	<u>2011</u>
Beginning Net OPEB Obligation	\$ 40,781,954	\$ 33,069,087
Annual required contribution	14,430,043	14,659,445
Interest on Net OPEB Obligation	1,631,278	1,321,464
ARC Adjustment	<u>(2,358,429)</u>	<u>(1,942,966)</u>
OPEB Cost	13,702,892	14,037,943
Contribution	-	-
Current year retiree premium	<u>(6,412,643)</u>	<u>(6,325,076)</u>
Change in Net OPEB Obligation	<u>7,290,249</u>	<u>7,712,867</u>
Ending Net OPEB Obligation	<u>\$ 48,072,203</u>	<u>\$ 40,781,954</u>

The following table shows the Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Liability (Asset)</u>
December 31, 2012	\$ 13,702,892	46.50%	\$ 48,072,203
December 31, 2011	\$ 14,070,394	45.06%	\$ 40,781,954
December 31, 2010	\$ 14,323,092	39.99%	\$ 33,069,087

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

### (9) Commitments (continued)

#### (D) Postemployment Healthcare Benefits (continued)

Funded Status and Funding Progress - In 2012 and 2011, the Board made no contributions to its post employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. As of January 1, 2012, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$176,321,034 which is defined as that portion, as determined by a particular actuarial cost method (the Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

The required schedule of funding progress following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additional information for the actuarial valuation is as follows:

	<u>2012</u>	<u>2011</u>
Actuarial Accrued Liability (AAL)	\$ 176,321,034	\$ 178,681,549
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded Act. Accrued Liability (UAAL)	\$ 176,321,034	\$ 178,681,549
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	\$ 35,106,359	\$ 35,082,005
UAAL as a percentage of covered payroll	502.25%	509.33%

Actuarial Methods and Assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method - The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Actuarial Value of Plan Assets – Since the OPEB obligation has not as yet been funded, there are not any plan assets. It is anticipated that in future valuations, should funding take place, plan assets will be valued using a smoothed market value method consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 8%. In addition to age related turnover, it has additionally been assumed that 10% of future eligible retirees will decline coverage upon retirement.

Post employment Benefit Plan Eligibility Requirements - It is assumed that entitlement to benefits will commence five years after earliest eligibility for retirement (D.R.O.P. entry). The five years is to accommodate the anticipated period of the D.R.O.P. Also, if the initial eligibility for D.R.O.P. entry is prior to age 55, an additional one year delay has been assumed, and it has been assumed that members eligible for the "Rule of 80" retirement formula delay three years beyond that earliest retirement date. Medical benefits are provided to employees upon actual retirement. The retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 62 and 10 years of service; age 65 and 5 years of service; age 70 regardless of service; or, if age plus service equals at least 80. Entitlement to benefits continues through Medicare to death.

Investment Return Assumption (Discount Rate) - GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate - The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining the Value of Benefits - The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The current premium schedules for active and retired are "unblended" rates, as required by GASB 45.

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS (Continued)

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(9) Commitments (continued)

(D) Postemployment Healthcare Benefits (continued)

Inflation Rate – Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases – This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases – The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

(10) Deferred Compensation Plan

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property, and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the employees, therefore the assets of the plan are not included in these financial statements.

(11) Budgets

Operating and capital expenditure budgets are adopted by the Board on a basis consistent with accounting principles generally accepted in the United States. While not legally required, this budgetary information is employed as a management control device during the year. Comparison between actual and budgeted expenses is not a required presentation for an Enterprise Fund.

(12) Segment Information

The Board issued revenue bonds to finance its water and sewerage departments which operate the Board's water and sewerage treatment plants and distribution and collection systems. These bonds are accounted for in a single fund; however, investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS (Continued)

(12) Segment Information (continued)

Summary financial information for these departments as of and for the years ended December 31 is as follows:

	<u>Condensed Statements of Net Position</u>			
	<u>Water</u>		<u>Sewer</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	(amounts in thousands)			
<b>Assets:</b>				
Property, plant and equipment	\$ 344,621	\$ 321,401	\$ 812,779	\$ 764,091
Current unrestricted assets	(6,932)	(11,656)	36,978	52,359
Restricted assets	37,896	37,138	46,342	45,674
Other assets	190	209	1,585	1,723
Total assets	<u>\$ 375,775</u>	<u>\$ 347,092</u>	<u>\$ 897,684</u>	<u>\$ 863,847</u>
<b>Net position:</b>				
Net investment in capital assets				
net of related debt	\$ 312,475	\$ 287,287	\$ 656,405	\$ 602,534
Restricted	7,417	7,393	27,673	25,644
Unrestricted	(95,128)	(94,019)	(112,324)	(79,827)
Total net position	<u>224,764</u>	<u>200,661</u>	<u>571,754</u>	<u>548,351</u>
<b>Liabilities:</b>				
Current	50,199	51,599	87,089	72,793
Current liabilities payable from restricted assets	12,525	11,751	15,875	14,882
Noncurrent liabilities	88,287	83,081	222,966	227,821
Total liabilities	<u>151,011</u>	<u>146,431</u>	<u>325,930</u>	<u>315,496</u>
Total liabilities and net position	<u>\$ 375,775</u>	<u>\$ 347,092</u>	<u>\$ 897,684</u>	<u>\$ 863,847</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### (12) Segment Information (continued)

#### Condensed Statements of Revenues, Expenses and Changes in Net Position

	Water		Sewer	
	2012	2011	2012	2011
	(amounts in thousands)			
Service charges, pledged against bonds	\$ 63,834	\$ 64,699	\$ 72,041	\$ 73,782
Depreciation expense	(11,323)	(13,793)	(14,366)	(9,907)
Other operating expenses	(63,157)	(66,355)	(45,534)	(42,508)
Operating income (loss)	(10,646)	(15,449)	12,141	21,367
Nonoperating revenues (expenses):				
Investment earnings	95	47	196	252
Other	7,003	10,919	162	140
Capital contributions	27,651	11,115	10,905	21,646
Total nonoperating revenues (expenses)	34,749	22,081	11,263	22,038
Change in net assets	24,103	6,632	23,404	43,405
Beginning net assets	200,661	194,029	548,351	504,946
Ending net assets	\$ 224,764	\$ 200,661	\$ 571,755	\$ 548,351

#### Condensed Statements of Cash Flows

	Water		Sewer	
	2012	2011	2012	2011
	(amounts in thousands)			
Net cash provided by (used in):				
Operating activities	\$ 6,000	\$ (2,646)	\$ 33,777	\$ 35,213
Noncapital financing activities	(14,862)	8,758	24,071	2,842
Capital and related financing activities	(1,651)	(3,154)	(49,794)	(30,010)
Investing activities	508	(8,772)	(3,106)	(7,175)
Net increase (decrease)	(10,005)	(5,814)	4,948	870
Cash and cash equivalents:				
Beginning of year	17,386	23,200	7,018	6,148
End of year	\$ 7,381	\$ 17,386	\$ 11,966	\$ 7,018

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### NOTES TO FINANCIAL STATEMENTS

(Continued)

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(13) Natural Disaster

As of December 31, 2012 and 2011, the Board has cumulatively received \$281,840,800 and \$235,893,718, respectively, of cash reimbursements from the Federal Emergency Management Agency (FEMA). Included in accounts receivable as of December 31, 2012 and 2011 are \$21,708,578 and \$25,164,758, respectively, of reimbursements due from FEMA. Eligible FEMA grants totaling in excess of \$537.8 million are in various stages of the approval process and include amounts for system repairs, building repairs, vehicle and equipment repairs and replacements, temporary power, supplies and other costs.

On June 29, 2007, the Board entered into a Cooperative Endeavor Agreement with the State of Louisiana, City of New Orleans, Louisiana, and the Louisiana Public Facilities Authority (LPFA). The LPFA agreed to issue its bonds to provide the cash capital investment to pay for capital improvements of the City of New Orleans and the Board. The establishment of the construction fund permits the Board and City of New Orleans to publicly bid contracts that are subject to a Project Worksheet that has been obligated by FEMA or for which an award letter has been received and encumber such amounts. The State of Louisiana, City of New Orleans, and Sewerage and Water Board agree that as FEMA pays any reimbursement amounts related to projects for which disbursements have been made, or the City or the Sewerage and Water Board receives monies related to the hazard mitigation grant program for which disbursements have been made from the construction fund, the full amount of such projects shall be deposited in the construction fund and used to fund additional projects until all City of New Orleans and Sewerage and Water Board improvements are completed. The total amount made available to the Board under the agreement was \$100,000,000. At December 31, 2012 and 2011, the Board had an outstanding obligation under the agreement of \$85,275,609 and \$67,894,157 included as a liability in due to other governments on the statements of net position, which represent amounts not yet reimbursed by FEMA and deposited back into the construction fund.

(14) Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 9, 2013, and noted the following item for disclosure.

As described in Note 1, effective January 1, 2013, the water and sewer rates have increased by approximately 10%. This increase was approved by the New Orleans City Council on November 14, 2012.

On February 18, 2013, the Board entered into a Cooperative Endeavor Agreement with the City of New Orleans. The City determined that the Board is eligible under Hazard Mitigation Grant Program administered by the U.S. Department of Homeland Security and approved a total grant award of approximately \$19.3 million. The funds will be used to assist retrofitting the power plant at the Carrollton Water Treatment Plant during 2013.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(GASB STATEMENTS NO. 25 AND NO. 45)**



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**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**Required Supplementary Information Under GASB Statement No. 25**  
**SCHEDULE OF FUNDING PROGRESS**  
**For the years ended December 31, 2012 and 2011**

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Funded Ratio	Covered Payroll (millions)	Unfunded AAL as a Percentage of payroll
2012	\$ 229,633,410	\$ 283,599,128	\$ 53,965,718	80.97%	29.07	185.62%
2011	229,137,699	285,509,317	56,371,618	80.26%	29.74	189.55%
2010	230,298,898	277,273,632	46,974,734	83.06%	29.67	158.32%
2009	228,999,660	269,506,028	40,506,368	84.97%	29.95	135.26%
2008	222,598,640	260,616,822	38,018,182	85.41%	29.47	129.02%
2007	223,583,589	245,202,189	21,618,600	91.18%	26.54	81.44%
2006	217,274,416	235,664,407	18,389,991	92.20%	25.93	70.92%
2005	209,829,340	225,544,886	15,715,546	93.03%	30.05	52.30%
2004	204,706,452	218,155,395	13,448,943	93.84%	30.17	44.58%
2003	196,697,432	205,362,089	8,664,657	95.78%	28.44	30.46%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
2012	\$ 9,127,733	\$ 6,114,997	66.99%
2011	9,815,493	5,436,700	55.39%
2010	8,385,788	5,146,081	61.37%
2009	7,591,507	5,247,031	69.12%
2008	7,146,647	4,915,512	68.78%
2007	4,598,587	3,885,124	84.49%
2006	4,073,502	3,343,713	82.08%
2005	4,702,354	3,716,381	79.03%
2004	4,271,797	3,721,034	87.11%
2003	3,193,339	3,391,537	106.21%

See accompanying notes to financial statements.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**Required Supplementary Information Under GASB Statement No. 45**  
**SCHEDULE OF FUNDING PROGRESS**  
**For the years ended December 31, 2012 and 2011**

Actuarial Valuation Date December 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Funded Ratio	Covered Payroll (millions)	Unfunded AAL as a Percentage of payroll
2012	\$ -	\$ 176,321,034	\$ 176,321,034	0.00%	35.11	502.25%
2011	-	178,681,549	178,681,549	0.00%	35.08	509.33%
2010	-	178,904,131	178,904,131	0.00%	34.74	514.92%
2009	-	184,174,734	184,174,734	0.00%	33.88	543.56%
2008	-	177,956,339	177,956,339	0.00%	29.47	603.93%
2007	-	147,995,856	147,995,856	0.00%	27.00	548.13%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
2012	\$ 14,430,043	\$ 6,070,360	42.07%
2011	14,659,445	6,057,637	41.32%
2010	14,759,470	5,728,065	38.81%
2009	15,046,112	5,487,971	36.47%
2008	14,304,620	5,673,616	39.66%
2007	12,818,364	6,143,654	47.93%

See accompanying notes to financial statements.

## **SUPPLEMENTARY INFORMATION**

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SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF NET POSITION BY DEPARTMENT  
ENTERPRISE FUND  
As of December 31, 2012 and 2011

	Water System		Sewerage System		Drainage System		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>								
Noncurrent assets:								
Property, plant and equipment	\$ 633,888,757	\$ 600,000,137	\$ 1,015,485,163	\$ 954,826,932	\$ 1,062,080,357	\$ 971,645,198	\$ 2,711,454,277	\$ 2,526,472,267
Less: accumulated depreciation	289,267,573	278,598,573	202,706,298	190,736,062	250,948,483	237,785,586	742,922,354	707,120,221
Property, plant, and equipment, net	344,621,184	321,401,564	812,778,865	764,090,870	811,131,874	733,859,612	1,968,531,923	1,819,352,046
Other assets:								
Bond issue costs	167,236	185,902	1,566,978	1,705,110	33,706	45,325	1,767,920	1,936,337
Deposits	22,950	22,950	17,965	17,965	10,400	10,400	51,315	51,315
Total other assets	190,186	208,852	1,584,943	1,723,075	44,106	55,725	1,819,235	1,987,652
Total noncurrent assets	344,811,370	321,610,416	814,363,808	765,813,945	811,175,980	733,915,337	1,970,351,158	1,821,339,698
Current assets:								
Unrestricted:								
Cash	(911,869)	9,645,067	9,548,524	2,083,063	(29,438)	4,431,205	8,607,217	16,159,335
Accounts receivable:								
Customers, net of allowance	7,313,564	7,025,098	6,241,507	5,450,685	-	-	13,555,071	12,475,783
Taxes	13,187,269	18,209,589	3,619,893	3,107,616	7,732,452	6,895,232	7,732,452	6,895,232
Grants	903,164	882,473	326,172	380,824	1,407,822	1,444,748	22,988,323	26,372,959
Miscellaneous	(32,479,635)	(52,506,013)	14,835,245	38,744,535	17,644,390	13,761,478	2,637,158	2,708,045
Due from (to) other internal departments	4,625,040	4,668,654	2,130,750	2,327,909	942,537	1,027,554	-	-
Inventory of supplies	430,714	418,677	276,132	264,095	44,260	38,878	7,698,327	8,024,117
Prepaid expenses	(6,931,753)	(11,656,455)	36,978,223	52,358,727	33,923,184	32,854,849	751,106	721,650
Total unrestricted	18,535,476	18,591,740	16,646,123	18,056,220	26,174,276	39,502,203	63,969,654	73,557,121
Restricted investments:								
Capital projects	124,148	18,914	187,590	143,743	7,704	13,111	61,355,875	76,150,163
Construction funds	7,417,365	7,393,084	27,673,732	25,643,883	95,786	100,575	319,442	175,768
Debt service reserve	9,492,988	8,849,159	1,755,446	1,751,558	-	-	35,186,883	33,137,542
Customer deposits	1,853,087	1,848,223	79,000	79,000	1,754,330	1,750,444	9,492,988	8,849,159
Health insurance reserve	473,038	436,981	46,341,891	45,674,404	39,000	39,000	5,362,863	5,350,225
Other	37,896,102	37,138,101	83,320,114	98,033,131	28,071,096	41,405,333	591,038	554,981
Total restricted	30,964,349	25,481,646	83,320,114	98,033,131	61,994,280	74,260,182	112,309,089	124,217,838
Total current assets	\$ 375,775,719	\$ 347,092,062	\$ 897,683,922	\$ 863,847,076	\$ 873,170,260	\$ 808,175,519	\$ 2,146,629,901	\$ 2,019,114,657
Total assets								

(Continued)

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF NET POSITION BY DEPARTMENT, CONTINUED  
ENTERPRISE FUND  
As of December 31, 2012 and 2011

	Water System		Sewerage System		Drainage System		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>NET POSITION AND LIABILITIES</b>								
Net position:								
Net investment in capital assets	\$ 312,475,304	\$ 287,286,958	\$ 656,404,941	\$ 602,534,196	\$ 793,509,578	\$ 714,882,723	\$ 1,762,389,823	\$ 1,604,703,877
Restricted for debt service	7,417,365	7,393,084	27,673,732	25,643,883	95,786	100,575	35,186,883	33,137,542
Unrestricted	(95,128,083)	(94,018,650)	(112,324,037)	(79,827,568)	10,487,977	33,191,157	(196,964,143)	(140,655,061)
Total net position	224,764,586	200,661,392	571,754,636	548,350,511	804,093,341	748,174,455	1,600,612,563	1,497,186,358
Long-term liabilities:								
Claims payable	744,692	953,814	744,691	953,813	744,692	953,814	2,234,075	2,861,441
Net pension obligation	3,612,806	2,867,620	3,742,752	2,997,566	3,768,332	3,023,146	11,123,890	8,888,332
Other postretirement benefits liability	18,465,233	16,035,150	15,486,886	13,056,803	14,120,084	11,690,001	48,072,203	40,781,954
Bonds payable, net of current maturities	29,744,028	31,744,520	143,130,514	149,300,417	16,205,000	17,630,000	189,079,542	198,674,937
Special Community Disaster loan payable	29,576,512	25,166,747	-	-	-	-	29,576,512	25,166,747
Southeast Louisiana Project liability	-	-	-	-	14,231,768	-	14,231,768	-
Debt Service Assistance Fund loan payable, net of current maturities	6,143,817	6,313,375	59,860,993	61,513,148	3,912,729	3,927,562	69,917,539	71,754,085
Total long-term liabilities	88,287,088	83,081,226	222,965,836	227,821,747	52,982,605	37,224,523	364,235,529	348,127,496
Current liabilities (payable from current assets):								
Accounts payable	16,212,631	14,586,058	16,410,906	15,755,527	4,238,213	10,871,047	36,861,750	41,212,632
Due to City of New Orleans	160,093	107,442	-	-	-	-	160,093	107,442
Due to other governments	23,961,566	22,020,099	57,876,618	43,588,415	3,437,425	2,285,643	85,275,609	67,894,157
Retainers and estimates payable	468,514	1,602,446	2,138,480	1,522,348	233,508	169,174	2,840,502	3,293,968
Due to other fund	38,226	62,296	17,943	29,241	21,844	35,598	78,013	127,135
Accrued salaries	876,519	623,734	450,793	299,498	472,549	332,117	1,799,861	1,255,349
Accrued vacation and sick pay	4,233,719	4,398,319	3,156,850	3,293,503	2,412,867	2,574,008	9,803,436	10,265,830
Claims payable	3,775,987	3,995,631	3,720,089	3,484,733	3,481,033	4,559,676	10,977,109	12,040,040
Debt Service Assistance Fund loan payable	339,136	493,666	3,304,310	4,809,943	215,982	407,553	3,859,428	5,711,162
Other liabilities	132,349	3,709,314	12,678	9,912	(1,896)	-	143,131	3,719,226
Total Current liabilities (payable from current assets):	50,198,740	51,599,005	87,088,667	72,793,120	14,511,525	21,234,816	151,798,932	145,626,941
Current liabilities (payable from restricted assets):								
Accrued interest	267,233	281,159	1,974,411	2,091,131	153,762	162,698	2,395,406	2,534,988
Bonds payable	2,526,000	2,389,000	13,431,000	12,400,000	1,425,000	1,360,000	17,382,000	16,149,000
Retainers and estimates payable	239,084	231,121	469,372	390,567	4,027	19,027	712,483	640,715
Customer deposits	9,492,988	8,849,159	-	-	-	-	9,492,988	8,849,159
Total Current liabilities (payable from restricted assets):	12,525,305	11,750,439	15,874,783	14,881,698	1,582,789	1,541,725	29,982,877	28,173,862
Total current liabilities	62,724,045	63,349,444	102,963,450	87,674,818	16,094,314	22,776,541	181,781,809	173,800,803
Total liabilities	151,011,133	146,430,670	325,929,286	315,496,565	69,076,919	60,001,064	546,017,338	521,928,299
Total net position and liabilities	\$ 375,775,719	\$ 347,092,062	\$ 897,683,922	\$ 863,847,076	\$ 873,170,260	\$ 808,175,519	\$ 2,146,629,901	\$ 2,019,114,657

See independent auditors' report.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY DEPARTMENT**  
**ENTERPRISE FUND**  
**For the years ended December 31, 2012 and 2011**

	Water System		Sewerage System		Drainage System		Total
	2012	2011	2012	2011	2012	2011	
<b>Operating revenues:</b>							
Sales of water and delinquent fees	\$ 60,256,304	\$ 59,890,312	\$ -	\$ -	\$ -	\$ -	\$ 60,256,304
Sewerage service charges	-	-	71,407,835	70,358,076	-	-	71,407,835
Plumbing inspection and license fees	343,903	379,036	343,903	379,036	-	-	687,806
Other revenues	3,234,003	4,429,221	288,943	3,044,483	1,103,330	1,107,419	4,626,276
<b>Total operating revenues</b>	<b>63,834,210</b>	<b>64,698,569</b>	<b>72,040,681</b>	<b>73,781,595</b>	<b>1,103,330</b>	<b>1,107,419</b>	<b>136,978,221</b>
<b>Operating Expenses:</b>							
Power and pumping	3,576,750	3,912,898	2,862,242	2,554,371	5,512,754	5,320,345	11,951,746
Treatment	8,148,016	7,127,633	10,758,524	10,953,890	-	-	18,906,540
Transmission and distribution	16,323,002	18,217,656	7,647,470	7,116,146	2,049,241	1,882,233	26,019,713
Customer accounts	1,643,953	1,663,538	1,643,950	1,663,534	46,749	42,571	3,369,643
Customer service	1,666,152	1,660,052	1,666,148	1,660,048	-	-	3,332,300
Administration and general	5,713,425	7,091,120	4,750,113	3,841,388	5,416,198	5,121,646	15,879,756
Payroll related	13,204,811	13,354,243	11,408,577	11,496,836	9,367,471	9,919,360	33,980,859
Maintenance of general plant	11,485,546	11,529,390	3,555,707	3,861,581	9,439,307	9,794,266	24,480,560
Depreciation	11,322,865	13,793,325	14,365,913	9,907,267	13,323,177	11,071,687	39,011,955
Amortization	18,066	18,666	138,134	134,795	11,619	11,619	168,419
Provision for doubtful accounts	1,150,450	1,658,080	525,961	(801,413)	100	10,793	1,676,511
Provision for claims	226,441	120,697	577,065	25,847	(672,802)	(4,826,998)	130,704
<b>Total operating expenses</b>	<b>74,480,077</b>	<b>80,147,298</b>	<b>59,899,804</b>	<b>52,414,290</b>	<b>44,493,814</b>	<b>38,347,522</b>	<b>178,873,695</b>
<b>Operating income (loss)</b>	<b>(10,645,867)</b>	<b>(15,448,729)</b>	<b>12,140,877</b>	<b>21,367,305</b>	<b>(43,390,484)</b>	<b>(37,240,103)</b>	<b>(41,895,474)</b>
<b>Non-operating revenues (expenses):</b>							
Three-mill tax	-	-	-	-	12,497,723	11,129,376	12,497,723
Six-mill tax	-	-	-	-	12,630,977	11,242,927	12,630,977
Nine-mill tax	-	-	-	-	18,933,290	16,855,081	18,933,290
Two-mill tax	-	-	-	-	-	4,870	-
Other taxes	123,885	140,655	154,509	175,424	-	-	278,394
Operating and maintenance grants	7,617,063	11,514,936	7,463	(35,272)	-	-	316,079
Interest income	95,204	46,557	196,435	251,742	109,748	128,571	7,624,526
Interest expense	(737,893)	(736,878)	-	-	-	-	401,387
Forgiveness of Community Disaster Loan (Note 6)	-	-	-	-	-	-	(737,893)
<b>Total non-operating revenues</b>	<b>7,098,259</b>	<b>10,965,270</b>	<b>358,407</b>	<b>391,894</b>	<b>44,171,738</b>	<b>39,360,825</b>	<b>51,628,404</b>
<b>Income before capital contributions</b>	<b>(3,547,608)</b>	<b>(4,483,459)</b>	<b>12,499,284</b>	<b>21,759,199</b>	<b>781,254</b>	<b>2,120,722</b>	<b>9,752,930</b>
<b>Capital contributions</b>	<b>27,650,802</b>	<b>11,116,055</b>	<b>10,904,841</b>	<b>21,645,244</b>	<b>55,137,632</b>	<b>40,084,409</b>	<b>93,693,275</b>
<b>Change in net position</b>	<b>24,103,194</b>	<b>6,632,596</b>	<b>23,404,125</b>	<b>43,404,443</b>	<b>55,918,886</b>	<b>42,205,131</b>	<b>103,426,205</b>
<b>Net position, beginning of year</b>	<b>200,661,392</b>	<b>194,028,796</b>	<b>548,350,511</b>	<b>504,946,068</b>	<b>748,174,455</b>	<b>705,969,324</b>	<b>1,497,186,358</b>
<b>Net position, end of year</b>	<b>\$ 224,764,586</b>	<b>\$ 200,661,392</b>	<b>\$ 571,754,636</b>	<b>\$ 548,350,511</b>	<b>\$ 804,093,341</b>	<b>\$ 748,174,455</b>	<b>\$ 1,600,612,563</b>
<b>See independent auditors' report.</b>							<b>\$ 1,497,186,358</b>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT BY DEPARTMENT**  
**As of December 31, 2012 and 2011**

	2012			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 1,929,243	\$ 8,526,852	\$ 13,354,233
Power and pumping stations - buildings	63,131,396	44,931,883	258,927,465	366,990,744
Power and pumping stations - machinery	134,559,446	42,753,266	120,328,900	297,641,612
Distribution systems	222,536,899	-	-	222,536,899
Sewerage collection	-	455,694,460	-	455,694,460
Canals and subsurface drainage	-	-	386,968,482	386,968,482
Treatment plants	-	194,704,036	-	194,704,036
Connections and meters	65,123,259	29,012,925	-	94,136,184
Power transmission	9,297,848	5,736,005	13,153,702	28,187,555
General plant	119,435,377	82,067,649	63,831,100	265,334,126
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
Total property, plant and equipment in service	619,507,911	857,922,792	855,704,175	2,333,134,878
Construction in progress	14,380,846	157,562,371	206,376,182	378,319,399
Total property, plant and equipment	633,888,757	1,015,485,163	1,062,080,357	2,711,454,277
Accumulated depreciation	289,267,573	202,706,298	250,948,483	742,922,354
Net property, plant and equipment	\$ 344,621,184	\$ 812,778,865	\$ 811,131,874	\$ 1,968,531,923

	2011			
	Water	Sewer	Drainage	Total
Real estate rights, non depreciable	\$ 2,898,138	\$ 1,716,892	\$ 4,812,434	\$ 9,427,464
Power and pumping stations - buildings	58,142,041	42,946,421	232,192,080	333,280,542
Power and pumping stations - machinery	114,173,118	29,677,840	99,677,658	243,528,616
Distribution systems	124,628,688	-	-	124,628,688
Sewerage collection	-	344,666,880	-	344,666,880
Canals and subsurface drainage	-	-	319,283,473	319,283,473
Treatment plants	-	139,877,046	-	139,877,046
Connections and meters	36,170,075	12,126,765	-	48,296,840
Power transmission	7,479,863	5,006,170	11,121,635	23,607,668
General plant	91,395,400	60,953,290	49,544,515	201,893,205
General buildings	2,525,548	1,093,325	3,967,674	7,586,547
Total property, plant and equipment in service	437,412,871	638,064,629	720,599,469	1,796,076,969
Construction in progress	162,587,266	316,762,303	251,045,729	730,395,298
Total property, plant and equipment	600,000,137	954,826,932	971,645,198	2,526,472,267
Accumulated depreciation	278,598,573	190,736,062	237,785,586	707,120,221
Net property, plant and equipment	\$ 321,401,564	\$ 764,090,870	\$ 733,859,612	\$ 1,819,352,046

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF BONDS PAYABLE  
For the year ended December 31, 2012

	Annual Interest Rates	Interest Payment Dates	Issue Date	Final Maturity Date	Outstanding as of 12/31/2011	New Debt in 2012	Payments in 2012	Outstanding as of 12/31/2012
Drainage System Bonds, 1998 (9-Mills)	4.84%	(6/1;12/1)	12/01/98	12/01/18	\$ 4,610,000	\$ -	\$ 570,000	\$ 4,040,000
Drainage System Bonds, 2002 (9-Mills)	4.46%	(6/1;12/1)	10/01/02	12/01/22	14,380,000	-	790,000	13,590,000
					18,990,000	-	1,360,000	17,630,000
Sewer Revenue Bonds, 1997	5.36%	(6/1;12/1)	06/01/97	06/01/17	12,715,000	-	1,840,000	10,875,000
Sewer Revenue Bonds, 1998	4.82%	(6/1;12/1)	12/01/98	06/01/18	11,660,000	-	1,445,000	10,215,000
Sewer Revenue Bonds, 2000	5.48%	(6/1;12/1)	05/01/00	06/01/20	15,890,000	-	1,385,000	14,505,000
Sewer Revenue Bonds, 2000-B	5.43%	(6/1;12/1)	11/01/00	06/01/20	12,055,000	-	1,060,000	10,995,000
Sewer Revenue Bonds, 2001	5.02%	(6/1;12/1)	12/01/01	06/01/21	19,985,000	-	1,615,000	18,370,000
Sewer Revenue Bonds, 2002	4.36%	(6/1;12/1)	12/01/02	06/01/22	38,595,000	-	2,645,000	35,950,000
Sewer Revenue Bonds, 2003	3.94%	(6/1;12/1)	12/03/03	06/01/23	3,780,000	-	250,000	3,530,000
Sewer Revenue Bonds, 2004	4.26%	(6/1;12/1)	12/01/04	06/01/24	24,315,000	-	1,430,000	22,885,000
Sewer Revenue Bonds, 2009	6.68%	(6/1;12/1)	12/01/09	06/01/29	21,990,000	-	730,000	21,260,000
Sewer Revenue Bonds, 2011	0.95%	(1/1-12/1)	12/01/11	12/01/32	98,375	7,373,130	-	7,471,505
					161,083,375	7,373,130	12,400,000	156,056,505
Water Revenue Bonds, 1998	4.82%	(6/1;12/1)	12/01/98	12/01/18	7,460,000	-	925,000	6,535,000
Water Revenue Bonds, 2002	4.57%	(6/1;12/1)	10/01/02	12/01/22	24,955,000	-	1,400,000	23,555,000
LADHH Loan Revenue Bonds, 2010A	2.95%	(2/1)	02/11/10	02/01/30	628,127	170,876	53,000	746,003
LADHH Loan Revenue Bonds, 2010B	2.95%	(2/1)	02/11/10	02/01/30	875,707	413,926	37,000	1,252,633
					33,918,834	584,802	2,415,000	32,088,636
TOTAL					\$ 213,992,209	\$ 7,957,932	\$ 16,175,000	\$ 205,775,141

See independent auditors' report.

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
DEBT SERVICE AND DEBT SERVICE RESERVE  
REQUIRED BY BOND RESOLUTION  
For the year ended December 31, 2012

	Debt Service Account					Debt Service Reserve Accounts			
	Water Revenue Bonds	Sewer Revenue Bonds	Drainage Revenue Bonds	LADHH Loan Revenue Bonds	LADDEQ Revenue Bonds	Total	Water Revenue Bonds	Sewer Revenue Bonds	Total
Cash and investments at beginning of year	\$ 1,105,372	\$ 9,459,130	\$ 100,575	\$ 2,359,333	\$ 20,628	\$ 13,045,038	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504
Cash receipts:									
Bond proceeds and accrued interest	-	-	-	-	-	-	-	-	-
Transfers from operating cash and debt service reserve	4,720,302	28,552,310	2,608,813	1,336	-	35,882,761	-	-	-
Excess debt service reserve fund applied to BANS 2006 Maturity	9,391	39,466	-	3,360	-	52,217	-	-	-
Total cash and investments	5,835,065	38,050,906	2,709,388	2,364,029	20,628	48,980,016	3,928,380	16,164,124	20,092,504
Cash disbursements:									
Principal and interest payments, cost of issuance and transfers	4,566,718	26,561,928	2,613,601	143,390	-	33,885,637	-	-	-
Total cash disbursements	4,566,718	26,561,928	2,613,601	143,390	-	33,885,637	-	-	-
Cash and investments at end of year	\$ 1,268,347	\$ 11,488,978	\$ 95,787	\$ 2,220,639	\$ 20,628	\$ 15,094,379	\$ 3,928,380	\$ 16,164,124	\$ 20,092,504

See independent auditors' report.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CHANGES IN SELF-INSURANCE LIABILITIES BY DEPARTMENT**  
For the year ended December 31, 2012

	Beginning of Year	Current Year Claims and Estimate Change	Payments	End of Year
<b><u>WATER</u></b>				
Short-term:				
Workers' compensation	\$ 361,784	\$ 876,927	\$ 781,066	\$ 457,645
Health insurance	697,833	4,964,274	4,923,942	738,165
General liability	2,936,014	(232,242)	123,595	2,580,177
Total short-term	3,995,631	5,608,959	5,828,603	3,775,987
Long-term:				
Workers' compensation	953,814	(209,122)	-	744,692
Total long-term	953,814	(209,122)	-	744,692
Total	\$ 4,949,445	\$ 5,399,837	\$ 5,828,603	\$ 4,520,679
<b><u>SEWERAGE</u></b>				
Short-term:				
Workers' compensation	\$ 361,782	\$ 876,931	\$ 781,070	\$ 457,643
Health insurance	697,833	4,147,953	4,107,621	738,165
General liability	2,425,117	118,379	19,216	2,524,280
Total short-term	3,484,732	5,143,263	4,907,907	3,720,088
Long-term:				
Workers' compensation	953,814	(209,122)	-	744,692
Total long-term	953,814	(209,122)	-	744,692
Total	\$ 4,438,546	\$ 4,934,141	\$ 4,907,907	\$ 4,464,780
<b><u>DRAINAGE</u></b>				
Short-term:				
Workers' compensation	\$ 361,783	\$ 876,931	\$ 781,070	\$ 457,644
Health insurance	697,833	3,475,413	3,435,080	738,166
General liability	3,500,060	(1,131,486)	83,351	2,285,223
Total short-term	4,559,676	3,220,858	4,299,501	3,481,033
Long-term:				
Workers' compensation	953,814	(209,122)	-	744,692
Total long-term	953,814	(209,122)	-	744,692
Total	\$ 5,513,490	\$ 3,011,736	\$ 4,299,501	\$ 4,225,725
<b><u>TOTAL</u></b>				
Short-term:				
Workers' compensation	\$ 1,085,349	\$ 2,630,789	\$ 2,343,206	\$ 1,372,932
Health insurance	2,093,499	12,587,640	12,466,643	2,214,496
General liability	8,861,191	(1,245,349)	226,162	7,389,680
Total short-term	12,040,039	13,973,080	15,036,011	10,977,108
Long-term:				
Workers' compensation	2,861,442	(627,366)	-	2,234,076
Total long-term	2,861,442	(627,366)	-	2,234,076
Total	\$ 14,901,481	\$ 13,345,714	\$ 15,036,011	\$ 13,211,184

See independent auditors' report.

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The Sewerage & Water Board's Facility Maintenance Department is refurbishing a 36-inch check valve from Claiborne Pumping Station. This valve opens or closes depending on whether, in this case, the 40 million gallon a day potable water distribution pump is in service or in the stopped position. When the pump is started, the water flow swings open the disc inside of the valve allowing the distribution of potable water throughout the city. When the pump is stopped the disc automatically closes, preventing the water from flowing back through the pump causing it to turn backwards.

The staff refurbishes various pump, motor, generator and other parts because many are not available off the shelf or are no longer manufactured for the old but reliable S&WB equipment.



New Orleans could not exist without a modern and strong drainage system. That is why the Sewerage & Board of New Orleans joined with the U.S. Army Corps of Engineers to upgrade or build canals, pumping stations and electrical generator power. One of those projects is canal work underway now Uptown. The work consists of constructing approximately 4,300 linear feet of concrete box canal under the median along Napoleon Avenue, from South Claiborne Avenue to Carondelet Street. The new canal will parallel an existing box canal and will tie in to the existing canal at South Claiborne Avenue. The cost of the project is \$55.1 million, with 65 percent federal funds and 35 percent S&WB funds.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SUMMARY OF STATISTICAL INFORMATION**  
**December 31, 2012**  
**(Unaudited)**

This part of the Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosure, and required supplementary information says about the Board's overall financial health.

Financial Trends:

These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Revenue Capacity:

These schedules contain information to help the reader assess the Board's most significant local revenue source, the property tax.

Debt Capacity:

These schedules present information to help the reader assess the affordability of the Board's current levels of outstanding debt and the Board's ability to issue additional debt in the future.

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Unaudited - accrual basis of accounting)**

	Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities										
Net investment in capital assets	\$ 1,762,389,823	\$ 1,604,703,877	\$ 1,481,320,632	\$ 1,367,130,463	\$ 1,306,085,162	\$ 1,265,078,240	\$ 1,191,197,682	\$ 1,092,139,700	\$ 1,085,354,440	\$ 1,041,213,409
Restricted for debt service	35,186,883	33,137,542	32,774,880	30,040,670	32,075,521	27,986,164	26,803,911	21,768,747	28,817,876	25,349,292
Unrestricted	(196,964,143)	(140,655,061)	(109,151,324)	(81,717,627)	(89,154,640)	(7,414,567)	3,614,224	41,752,104	65,900,450	70,994,095
Total business-type activities net position	\$ 1,600,612,563	\$ 1,497,186,358	\$ 1,404,944,188	\$ 1,315,453,506	\$ 1,249,006,043	\$ 1,285,649,837	\$ 1,221,615,817	\$ 1,155,660,551	\$ 1,180,072,766	\$ 1,137,556,796

Source: Audited Comprehensive Annual Financial Reports - Information available for nine years

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CHANGES IN NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Unaudited - accrual basis of accounting)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Operating revenues:</b>										
Sales of water and delinquent fees	\$ 60,256,304	\$ 59,890,312	\$ 55,079,772	\$ 50,677,054	\$ 43,995,732	\$ 37,795,522	\$ 33,799,760	\$ 38,727,266	\$ 54,234,144	\$ 54,997,831
Sewerage service charges	71,407,835	70,358,076	69,534,779	66,102,946	61,877,246	68,304,547	62,657,636	57,329,963	72,252,114	62,328,695
Plumbing inspection and license fees	687,806	738,072	746,426	484,448	590,604	542,340	590,242	233,147	215,642	215,642
Other revenue	4,626,276	8,581,123	4,702,753	3,814,564	2,487,983	2,927,070	3,290,683	3,171,703	3,343,868	2,095,805
<b>Total operating revenues</b>	<b>136,978,221</b>	<b>139,587,583</b>	<b>130,063,730</b>	<b>121,079,012</b>	<b>108,951,565</b>	<b>109,569,479</b>	<b>100,338,321</b>	<b>99,404,192</b>	<b>130,063,273</b>	<b>119,637,973</b>
<b>Operating Expenses:</b>										
Power and pumping	11,951,746	11,787,614	12,606,851	12,950,788	14,178,641	13,041,954	11,576,640	11,818,104	22,334,434	19,339,095
Treatment	18,906,540	18,081,523	19,029,752	19,910,557	18,243,782	16,280,975	13,518,870	13,736,515	17,131,922	17,075,547
Transmission and distribution	26,019,713	27,216,035	15,915,361	21,466,523	18,994,209	19,832,226	13,845,793	18,432,531	20,846,681	20,324,308
Customer accounts	3,334,652	3,369,643	3,314,887	3,044,936	2,719,594	2,290,092	1,910,612	2,413,631	2,625,751	2,513,486
Customer service	3,332,300	3,320,100	3,386,338	3,417,239	3,323,696	2,670,145	2,265,250	2,645,604	2,855,631	2,821,025
Administration and general	15,879,736	16,054,154	16,060,032	13,504,125	15,173,190	14,899,028	13,714,644	12,130,773	14,978,964	12,534,252
Payroll related	33,980,859	34,770,439	33,616,025	35,085,953	31,549,622	28,259,815	17,914,694	19,780,248	18,794,864	16,697,287
Maintenance of general plant	24,480,560	25,185,237	28,457,226	24,828,902	33,453,074	26,993,626	23,344,667	27,991,450	10,764,556	10,563,936
Depreciation	39,011,955	34,772,279	35,231,611	34,692,628	31,546,017	25,377,733	28,703,469	39,187,670	38,600,928	35,480,955
Amortization	164,419	165,080	140,415	140,917	158,019	158,019	208,045	360,445	295,156	188,128
Provision for doubtful accounts	1,676,511	867,460	4,855,325	889,811	(12,223,825)	12,613,283	22,335,906	6,582,465	2,718,176	1,884,751
Provision for claims	130,704	3,186,714	58,860	58,860	587,465	(2,448,965)	2,658,657	7,289,990	2,886,894	3,673,192
<b>Total operating expenses</b>	<b>178,873,695</b>	<b>170,909,110</b>	<b>175,809,537</b>	<b>169,591,239</b>	<b>157,703,484</b>	<b>159,967,931</b>	<b>152,017,247</b>	<b>162,369,426</b>	<b>154,835,957</b>	<b>143,095,962</b>
<b>Operating loss</b>	<b>(41,895,474)</b>	<b>(31,321,527)</b>	<b>(45,745,807)</b>	<b>(48,512,227)</b>	<b>(48,751,919)</b>	<b>(50,398,452)</b>	<b>(51,678,926)</b>	<b>(62,965,234)</b>	<b>(24,770,684)</b>	<b>(23,457,989)</b>
<b>Non-operating revenues (expenses):</b>										
Two-mill tax	-	4,870	1,045	-	-	120	3,699	1,407	5,192	7,423
Three-mill tax	12,497,723	11,129,376	10,378,060	10,302,545	11,294,822	10,381,155	9,682,028	12,990,040	12,199,559	11,031,057
Six-mill tax	12,630,977	11,242,927	10,498,580	10,410,524	11,406,361	10,513,559	9,803,652	13,152,643	12,352,092	11,169,139
Nine-mill tax	18,933,290	16,855,081	15,672,791	15,485,030	17,001,253	15,773,070	13,684,249	19,707,787	18,508,104	16,735,885
Other taxes	278,394	316,079	333,795	371,006	515,735	443,122	634,321	631,818	744,322	770,663
Operating and maintenance grants	7,624,526	11,479,664	9,367,940	19,373,185	(3,973)	1,777,188	35,013,143	9,338,528	-	-
Interest income	401,387	426,870	274,323	885,723	3,545,564	5,826,769	4,115,003	3,291,489	1,352,425	1,031,593
Hurricane gain	-	-	-	-	-	205,995	2,303,397	(55,909,262)	-	-
Interest expense	(737,893)	(756,878)	(1,687,603)	(1,766,553)	(1,720,030)	(2,443,612)	(252,435)	(2,992)	-	-
Forgiveness of Community Disaster Loan	-	-	41,438,410	-	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>51,628,404</b>	<b>50,717,989</b>	<b>86,277,341</b>	<b>55,061,460</b>	<b>42,039,712</b>	<b>42,477,366</b>	<b>74,988,457</b>	<b>3,201,458</b>	<b>45,161,694</b>	<b>40,745,760</b>
<b>Income (loss) before capital contributions</b>	<b>9,732,930</b>	<b>19,396,462</b>	<b>40,531,534</b>	<b>6,149,233</b>	<b>(6,712,187)</b>	<b>(7,921,086)</b>	<b>23,309,531</b>	<b>(59,763,776)</b>	<b>20,291,010</b>	<b>17,287,771</b>
<b>Capital contributions</b>	<b>93,693,275</b>	<b>72,845,708</b>	<b>48,599,148</b>	<b>60,298,230</b>	<b>(29,931,607)</b>	<b>71,955,106</b>	<b>42,645,735</b>	<b>35,351,561</b>	<b>22,124,960</b>	<b>53,054,656</b>
<b>Change in net position</b>	<b>103,426,205</b>	<b>92,242,170</b>	<b>89,490,682</b>	<b>66,447,463</b>	<b>(36,643,794)</b>	<b>64,034,020</b>	<b>65,955,266</b>	<b>(24,412,215)</b>	<b>42,515,970</b>	<b>70,342,427</b>
<b>Net position:</b>										
Beginning of year	1,497,186,358	1,404,944,188	1,315,453,506	1,249,006,043	1,285,649,837	1,221,615,817	1,155,660,551	1,180,072,766	1,137,556,796	1,067,214,369
End of year	1,600,612,563	1,497,186,358	1,404,944,188	1,315,453,506	1,249,006,043	1,285,649,837	1,221,615,817	1,155,660,551	1,137,556,796	1,067,214,369

Source: Audited Comprehensive Annual Financial Reports - Information available for nine years



SEWERAGE AND WATER BOARD OF NEW ORLEANS  
REVENUE AND EXPENSES BY SOURCE  
ENTERPRISE FUND  
Last Ten Years  
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Charges for service	\$ 117,542,168	\$ 126,719,405	\$ 96,232,489	\$ 97,047,638	\$ 106,642,409	\$ 106,463,582	\$ 117,264,448	\$ 125,360,977	\$ 131,006,460	\$ 132,351,945
Dedicated taxes	38,936,081	43,059,755	45,850,470	33,171,329	36,667,784	39,702,436	36,198,099	36,549,431	39,227,384	44,061,990
Two-mill tax	7,423	5,192	1,407	3,699	120	-	-	1,045	4,870	-
Interest on investments	1,031,593	1,352,425	3,291,489	4,115,003	5,826,769	3,545,564	885,723	274,323	426,870	401,387
Other taxes and revenue	2,866,468	4,088,190	13,142,049	38,938,147	5,147,380	2,999,745	23,558,755	55,842,898	20,376,866	12,529,196
	<u>\$ 160,383,733</u>	<u>\$ 175,224,967</u>	<u>\$ 158,517,904</u>	<u>\$ 173,275,816</u>	<u>\$ 154,284,462</u>	<u>\$ 152,711,327</u>	<u>\$ 177,907,025</u>	<u>\$ 218,028,674</u>	<u>\$ 191,042,450</u>	<u>\$ 189,344,518</u>
<b>Expenses</b>										
Personnel services	\$ 49,759,541	\$ 52,956,446	\$ 58,322,684	\$ 49,118,747	\$ 61,421,931	\$ 68,605,280	\$ 74,540,678	\$ 72,725,464	\$ 73,834,142	\$ 74,358,288
Services and utilities	46,120,890	48,738,878	45,606,037	43,170,196	52,966,504	56,428,567	50,787,395	47,125,394	42,417,785	40,621,806
Materials and supplies	5,988,505	8,637,479	5,020,134	5,649,827	9,879,426	12,603,961	8,880,950	12,535,610	23,532,818	22,906,012
Depreciation and amortization	35,669,083	38,896,084	39,548,115	29,063,914	25,535,752	31,704,036	34,833,545	35,381,030	34,937,359	39,180,374
Provision for doubtful accounts	1,884,751	2,718,176	6,582,465	22,355,906	12,613,283	(12,225,825)	889,811	4,855,325	867,460	1,676,511
Provision for claims	3,673,192	2,886,894	7,289,990	2,658,657	(2,448,965)	587,465	58,860	3,186,714	(4,680,454)	130,704
Hurricane Loss	-	-	55,909,262	(2,303,397)	(205,995)	-	-	-	-	-
Interest	-	-	2,993	252,435	2,443,612	1,720,030	1,766,553	1,687,603	736,878	737,893
	<u>\$ 143,095,962</u>	<u>\$ 154,833,957</u>	<u>\$ 218,281,680</u>	<u>\$ 149,966,285</u>	<u>\$ 162,205,548</u>	<u>\$ 159,423,514</u>	<u>\$ 171,757,792</u>	<u>\$ 177,497,140</u>	<u>\$ 171,645,988</u>	<u>\$ 179,611,588</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(Unaudited - amounts in thousands)**

Fiscal Year	Net Assessed Value		Total Net Assessed Value	Total Estimated Actual Value (1)	Ratio of Total Net Assessed to Total Estimated Actual Value
	Real Estate	Personal Property			
2003	1,248,743	650,595	1,899,338	15,040,781	12.6%
2004	1,423,261	679,826	2,103,087	16,731,518	12.6%
2005	1,492,750	620,797	2,113,547	16,774,183	12.6%
2006	1,103,604	565,287	1,668,891	13,245,167	12.6%
2007	1,362,097	483,200	1,845,297	14,645,214	12.6%
2008	2,004,624	539,492	2,544,116	20,698,664	12.3%
2009	2,042,426	557,039	2,599,465	21,974,841	11.8%
2010	2,489,813	387,334	2,877,147	21,974,841	13.1%
2011	2,584,334	385,700	2,970,034	21,974,841	13.5%
2012	2,760,973	390,952	3,151,925	21,974,841 (2)	14.3%

Source: City of New Orleans

(1) Amounts are net of the homestead exemption.

(2) Latest date available for total estimated actual value is 2009.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Fiscal Years  
 (Unaudited)

Number of Mills  
 (Per \$1,000 of assessed value)

Fiscal Year	City of New Orleans	Orleans Levee Board	Orleans Levee District Eastbank	Algiers Levee District	Sewerage & Water Board of New Orleans	Orleans Parish School Board	Audubon Park & Zoo	Total
2003	78.59	12.76	0***	0***	22.59**	52.83	4.55	171.32
2004	78.59	12.76	0***	0***	22.59**	52.80	4.55	171.29
2005	78.59	12.76	0***	0***	22.59**	52.80	4.55	171.29
2006	89.89	12.76	0***	0***	22.59**	58.55	4.55	188.34
2007	82.39	12.76	0***	0***	22.59**	52.90	4.55	175.19
2008	61.34	0***	9.65	9.28	16.43**	38.47	3.31	129.20
2009	61.34	0***	10.95	12.76	16.03**	38.47	3.31	130.10
2010	64.31	0***	11.67	12.76	16.43**	44.12	3.31	140.93
2011	72.05	0***	11.67	12.76	16.43**	44.12	3.31	148.67
2012	72.05	0***	11.67	12.76	16.43**	43.60	3.31	148.15

Source: City of New Orleans

\*The Homestead Exemption is not allowed for the new 9-Mill Police and Fire Tax.

\*\*3 mills adopted in 1967 expires in 2017

\*\*6 mills adopted in 1978 expires in 2027

\*\*9 mills adopted in 1982 expires in 2032

\*\*\*Special millage beginning in 2008 and no longer City-wide.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**TEN LARGEST TAXPAYERS**  
**December 31, 2012 and Nine Years Ago**  
**(Unaudited)**

Name of Taxpayer	Type of Business	2012 Assessed Value	Percentage of Total Assessed Value
Entergy Service	Utility	92,525,630	3.38%
AT&T	Telephone Utility	52,626,310	1.79%
Capital One Bank	Bank	39,216,860	1.33%
Harrah's Entertainment	Casino	34,589,770	1.18%
Marriott Hotel Properties	Hotel	23,085,290	0.78%
JP Morgan Chase Bank	Bank	22,490,460	0.76%
International Rivercenter	Shopping Mall; Hotel	17,466,490	0.59%
Whitney Bank	Bank	17,299,990	0.59%
C S & M Associates	Commercial Real Estate	14,759,580	0.50%
Hertz Properties	Rental Car	11,710,620	0.40%
		<u>\$ 325,771,000</u>	<u>11.30%</u>

Name of Taxpayer	Type of Business	2002 (*) Assessed Value	Percentage of Total Assessed Value
Entergy Service	Utility	\$ 75,365,530	4.16%
BellSouth Telecommunications	Telephone Utility	60,994,780	3.37%
Hibernia National Bank	Bank	42,610,750	2.35%
Bank One	Bank	32,623,813	1.80%
Whitney National Bank	Bank	24,145,763	1.33%
Harrah's Entertainment	Casino	23,945,540	1.32%
Tenet	Health & Hospital	18,318,865	1.01%
International River Center	Shopping Mall; Hotel	14,241,180	0.79%
Marriott Hotel Properties	Hotel	13,727,520	0.76%
C S & M Associates	Commerical Real Estate	11,462,858	0.63%
		<u>\$ 317,436,599</u>	<u>17.52%</u>

(\*) The latest date available for the Ten Largest Taxpayers in the City of New Orleans is for the year ended December 31, 2002.

Source: City of New Orleans

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**PROPERTY TAX**  
**LEVIES AND COLLECTIONS BY THE CITY OF NEW ORLEANS**  
**Last Ten Fiscal Years**  
**(Unaudited - Amounts in Thousands)**

Fiscal Year	Total Levied	Collected Through December 31, 2012		Balance Outstanding December 31, 2012		Collected during 2012	
		Amount	Percent	Amount	Percent	Amount	
Real Estate Taxes:							
2003	217,039	215,417	99.25	1,622	0.75	759	
2004	247,328	245,134	99.11	2,194	0.89	922	
2005	267,327	263,904	98.72	3,423	1.28	977	
2006	219,991	217,755	98.98	2,236	1.02	1,214	
2007	250,462	246,917	98.58	3,545	1.42	2,072	
2008	269,746	266,083	98.64	3,663	1.36	1,816	
2009	275,869	271,818	98.53	4,051	1.47	1,685	
2010	309,800	304,517	98.29	5,283	1.71	2,711	
2011	339,370	331,772	97.76	7,598	2.24	11,335	
2012	362,262	342,248	94.48	20,014	5.52	342,248	
Personal Property Taxes:							
2003	*	110,691	103,756	93.73	6,935	6.27	-
2004	*	115,676	109,234	94.43	6,442	5.57	-
2005	*	106,354	100,809	94.79	5,545	5.21	-
2006		99,477	95,157	95.66	4,320	4.34	-
2007		82,046	77,967	95.03	4,079	4.97	-
2008		67,548	64,074	94.86	3,474	5.14	-
2009		69,935	66,541	95.15	3,394	4.85	117
2010		74,530	70,456	94.53	4,074	5.47	257
2011		78,996	75,000	94.94	3,996	5.06	796
2012		81,685	78,275	95.83	3,410	4.17	78,275

\* 2005 and prior personal property receivables were considered prescribed and no longer legally enforceable during 2012.

Source: City of New Orleans

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
WATER AND SEWER RATES  
Last Seven Fiscal Years  
(Unaudited)

Year	Water					Sewer	
	Rate per 1,000 Gallons					Monthly Base Rate	Rate per 1,000 Gallons
	Monthly Base Rate	First 3,000 Gallons	Next 17,000 Gallons	Next 980,000 Gallons	All Gallons Over 1,000,000		
2006	\$ 3.50	\$ 2.31	\$ 2.31	\$ 2.07	\$ 1.59	\$ 11.60	\$ 4.04
2007	\$ 3.50	\$ 1.94	\$ 3.31	\$ 2.60	\$ 2.19	\$ 11.60	\$ 4.04
2008	\$ 3.50	\$ 2.35	\$ 4.01	\$ 3.15	\$ 2.65	\$ 11.60	\$ 4.04
2009	\$ 3.70	\$ 2.47	\$ 4.21	\$ 3.31	\$ 2.78	\$ 11.60	\$ 4.04
2010	\$ 3.90	\$ 2.59	\$ 4.42	\$ 3.48	\$ 2.92	\$ 11.60	\$ 4.04
2011	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04
2012	\$ 4.05	\$ 2.69	\$ 4.60	\$ 3.62	\$ 3.04	\$ 11.60	\$ 4.04

Note: Rates are based on 5/8" meter, which is the standard household meter size.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Seven Fiscal Years  
 (Unaudited)

Fiscal Year	Personal Income (1) (in thousands)	Population (2)	Revenue Bonds	Special Tax Bonds	LDHH Bonds	Special Community Disaster Loan Payable	Debt Service Assistance Fund Loan	Capital Leases Payable	Total Debt	Percentage of Personal Income	Debt per Capita
2006	\$ 12,739,309	208,548	\$ 258,047,868	\$ 24,905,000	\$ -	\$ 46,011,566	\$ 40,494,073	\$ 2,760,672	\$ 372,219,179	3.42%	\$ 1,785
2007	\$ 14,831,565	288,113	\$ 246,907,968	\$ 23,835,000	\$ -	\$ 61,956,747	\$ 64,655,122	\$ 104,445	\$ 397,459,282	3.73%	\$ 1,380
2008	\$ 15,802,534	336,644	\$ 235,216,902	\$ 22,710,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 397,344,042	3.98%	\$ 1,180
2009	\$ 15,260,613	354,850	\$ 221,958,521	\$ 21,525,000	\$ -	\$ 61,956,747	\$ 77,460,393	\$ -	\$ 382,900,661	3.99%	\$ 1,079
2010	\$ 15,260,613	347,907	\$ 208,422,155	\$ 20,290,000	\$ 632,842	\$ 25,166,747	\$ 77,460,393	\$ -	\$ 331,972,137	4.60%	\$ 954
2011	\$ 15,260,613	360,740	\$ 193,498,375	\$ 18,990,000	\$ 1,503,834	\$ 25,166,747	\$ 77,465,247	\$ -	\$ 316,624,203	4.82%	\$ 878
2012	\$ 15,346,678 (3)	369,250	\$ 186,146,505	\$ 17,630,000	\$ 1,998,636	\$ 25,166,747	\$ 73,776,967	\$ -	\$ 304,718,855	5.04%	\$ 825

(1) Source: Bureau of Economic Analysis.

(2) Source: www.census.gov/popest.

(3) Most recent available is as of April 2012.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**December 31, 2012**  
**(Unaudited)**

	Net Outstanding Debt	Percentage Overlapping	Overlapping Debt
Direct debt:			
Sewerage and Water Board, net of debt service funds (tax bonds only)	\$ 17,630,000	100%	\$ 17,630,000
Overlapping debt:			
City of New Orleans	491,576,615	100%	491,576,615
Audubon Park Commission	29,040,000	100%	\$ 29,040,000
Orleans Parish School Board (1)	104,741,527	100%	\$ 104,741,527
Orleans Levee District (1)	-	0%	\$ -
Total overlapping debt	625,358,142	100%	625,358,142
Total direct and overlapping debt	\$ 642,988,142	100%	\$ 642,988,142

(1) The fiscal year of the Orleans Parish School Board and Orleans Levee District ends on June 30th; overlapping debt is based on June 30, 2012 financial information.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**REVENUE BONDS DEBT SERVICE COVERAGE**

**WATER BONDS**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Service Requirement*		Coverage
				Principal	Interest	
2003	57,550,818	47,886,711	9,664,107	2,020,000	2,490,059	2.14
2004	57,955,617	51,749,138	6,206,479	1,575,000	2,177,094	1.65
2005	40,716,893	53,450,918	(12,734,025)	1,655,000	2,110,155	(3.38)
2006	36,378,265	41,970,320	(5,592,055)	1,735,000	2,032,524	(1.48)
2007	35,098,826	58,708,774	(23,609,948)	1,820,000	1,980,068	(6.21)
2008	47,435,375	66,989,084	(19,553,709)	1,920,000	1,917,131	(5.10)
2009	70,211,761	51,983,869	18,227,892	2,115,000	1,771,268	4.69
2010	77,837,538	58,180,206	19,657,332	2,220,000	1,685,618	5.03
2011	76,400,717	64,677,227	11,723,490	2,325,000	1,592,393	2.99
2012	73,802,442	61,988,096	11,814,346	2,435,000	1,493,380	3.01

\* Payments are based on future payments subsequent to the year of calculation.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
REVENUE BONDS DEBT SERVICE COVERAGE**

**SEWER BONDS**

**Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Operating Revenue	Direct Operating Expenses	Net Revenue Available for Debt Services	Debt Service Requirements*			Coverage
				Principal	Interest	Total	
2003	60,837,820	38,579,473	22,258,347	6,245,000	8,988,665	15,233,665	1.46
2004	72,434,733	39,459,105	32,975,628	6,715,000	10,343,878	17,058,878	1.93
2005	58,494,963	33,072,494	25,422,469	8,265,000	9,873,999	18,138,999	1.40
2006	63,907,388	33,435,068	30,472,320	8,685,000	9,453,651	18,138,651	1.68
2007	64,750,010	38,899,024	25,850,986	9,130,000	10,211,257	19,341,257	1.34
2008	70,836,988	42,135,587	28,701,401	15,035,000	3,326,538	18,361,538	1.56
2009	69,501,438	49,879,875	19,621,563	11,255,000	9,058,968	20,313,968	0.97
2010	87,569,727	44,361,297	43,208,430	11,815,000	8,435,057	20,250,057	2.13
2011	74,173,489	43,173,641	30,999,848	12,400,000	7,863,432	20,263,432	1.53
2012	72,399,088	44,869,796	27,529,292	13,431,000	7,282,082	20,713,082	1.33

\* Payments are based on future payments subsequent to the year of calculation.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**DEMOGRAPHIC STATISTICS**  
**Last Seven Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2006	208,548	\$ 12,739,309	\$ 61,086	4.30%
2007	288,113	\$ 14,831,565	\$ 51,478	3.50%
2008	336,644	\$ 15,802,534	\$ 46,941	4.40%
2009	354,850	\$ 15,260,613	\$ 35,507	6.80%
2010	347,907	\$ 15,260,613	\$ 35,507	8.50%
2011	360,740	\$ 15,260,613	\$ 38,578	7.30%
2012	369,250	\$ 15,346,678 (4)	\$ 41,562	5.50%

(1) Source: [www.census.gov/popest/](http://www.census.gov/popest/)

(2) Source: Estimates- Bureau of Economic Analysis.

(3) Source: U.S. Bureau of Labor Statistics.

(4) Most recent available is as of April 2012.

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
NEW ORLEANS AREA PRINCIPAL EMPLOYERS  
Last Ten Fiscal Years  
(Unaudited)

	2003	2004 *	2005 *	Rank / Number of Employees		2006	2007	2008	2009	2010	2011	2012
Acme Truck Line Inc.							8 / 250	10 / 2,000	7 / 2,000	7 / 2,000	8 / 2,500	9 / 2,000
AI Copeland Investments	9 / 623										9 / 2,200	
Bully's Casino Lakeshore Resort												
Boh Bros. Construction						9 / 790	6 / 781	9 / 2,150	9 / 1,500	9 / 1,500		
Boontown Casino Westbank	8 / 1,100							5 / 3,500	6 / 2,150	6 / 2,150		8 / 2,150
Capital One Bank N.A.												
City of New Orleans												
Dow Chemical Company												
East Jefferson General Hospital								6 / 3,150	8 / 2,000	8 / 2,000		10 / 2,000
Harrah's New Orleans Casino						3 / 4,500		8 / 2,200	5 / 2,200	5 / 2,200	7 / 2,700	5 / 3,150
Hilton New Orleans									10 / 1,400	10 / 1,400		7 / 2,200
Hope Haven Center							10 / 150					
Houma Industries							9 / 160					
JCC Holding Co. LLC						4 / 4,000						
Lockheed Martin Manned Space Systems	2 / 2,000					5 / 2,000	2 / 2,832	7 / 2,832	4 / 2,832	4 / 2,832	2 / 7,000	7 / 2,800
LSU Health Sciences Center New Orleans								3 / 5,000				3 / 5,000
Meadowcrest Hospital	10 / 457											
Methodist Hospital	7 / 1,116											
NASA Michoud												
Northrup Grumman Avondale	1 / 6,071					1 / 6,000	1 / 5,400	2 / 5,400	2 / 5,400	2 / 5,400	10 / 2,000	2 / 5,400
Ochsner Medical Institutions / Health System						6 / 2,000		1 / 9,107	1 / 9,107	1 / 9,107	3 / 6,000	1 / 9,100
Regional Transit Authority	6 / 1,199											
Superior Energy Services, Inc.	5 / 1,200					10 / 750	7 / 750					
Textron Marine & Land Systems							5 / 1,165					
Tulane University						2 / 5,000		4 / 4,410	3 / 4,410	3 / 4,410	4 / 5,000	4 / 4,400
University of New Orleans											6 / 3,114	
US Post Office											5 / 4,000	6 / 2,900
USDA, National Finance Center	3 / 1,900					8 / 1250	4 / 1,300					
West Jefferson Medical Center	4 / 1,829					7 / 1,904	3 / 1,654					

Source: Louisiana Commercial Realty (February 2012).

\* These years are unavailable.



**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**CAPITAL EXPENDITURES BY DEPARTMENT**  
**ENTERPRISE FUND**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Year</u>	<u>Water</u>	<u>Sewer</u>	<u>Drainage</u>	<u>Total</u>
2003	\$ 14,531,801	\$ 49,419,442	\$ 64,155,080	\$ 128,106,323
2004	\$ 15,772,218	\$ 67,424,755	\$ 38,407,889	\$ 121,604,862
2005	\$ 10,380,889	\$ 46,550,580	\$ 23,709,553	\$ 80,641,022
2006	\$ 36,481,683	\$ 49,891,752	\$ 19,515,232	\$ 105,888,667
2007	\$ 19,053,142	\$ 56,093,058	\$ 16,250,996	\$ 91,397,196
2008	\$ 19,938,659	\$ 25,608,236	\$ 28,592,805	\$ 74,139,700
2009	\$ 22,465,931	\$ 56,010,946	\$ 47,185,424	\$ 125,662,301
2010	\$ 32,248,119	\$ 58,682,400	\$ 51,465,065	\$ 142,395,584
2011	\$ 20,374,785	\$ 53,662,611	\$ 66,821,905	\$ 140,859,301
2012	\$ 33,888,620 (1)	\$ 60,658,231 (1)	\$ 90,435,159 (1)	\$ 184,982,010

(1) Includes contributed assets

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF FUTURE DEBT PAYMENTS  
December 31, 2012  
(Unaudited)

		Water Revenue Bonds		
		Series 1998	Series 2002	All Bond Issues
2013	Principal	965,000	1,470,000	2,435,000
	Interest	315,630	1,177,750	1,493,380
2014	Principal	1,015,000	1,530,000	2,545,000
	Interest	269,793	1,104,250	1,374,043
2015	Principal	1,060,000	1,595,000	2,655,000
	Interest	221,580	1,027,750	1,249,330
2016	Principal	1,110,000	1,665,000	2,775,000
	Interest	170,700	948,000	1,118,700
2017	Principal	1,165,000	1,740,000	2,905,000
	Interest	116,865	864,750	981,615
2018	Principal	1,220,000	1,820,000	3,040,000
	Interest	59,780	777,750	837,530
2019	Principal		3,195,000	3,195,000
	Interest		686,750	686,750
2020	Principal		3,345,000	3,345,000
	Interest		527,000	527,000
2021	Principal		3,510,000	3,510,000
	Interest		359,750	359,750
2022	Principal		3,685,000	3,685,000
	Interest		184,250	184,250
Total Principal		6,535,000	23,555,000	30,090,000
Total Interest		1,154,348	7,658,000	8,812,348
Total Future Debt Payments		<u>\$ 7,689,348</u>	<u>\$ 31,213,000</u>	<u>\$ 38,902,348</u>

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
SCHEDULE OF FUTURE DEBT PAYMENTS  
December 31, 2012  
(Unaudited)

	Series 1997	Series 1998	Series 2000A	Series 2000B	Series 2001	Series 2002	Series 2003	Series 2004	Series 2009	Series 2011	All Bond Issues
2013	Principal 1,940,000 Interest 532,903	1,510,000 461,294	1,465,000 750,391	1,120,000 564,295	1,685,000 881,700	2,790,000 1,727,750	260,000 137,971	1,485,000 948,481	765,000 1,243,675	411,000 33,622	13,431,000 7,282,083
2014	Principal 2,050,000 Interest 426,884	1,585,000 388,165	1,555,000 669,228	1,185,000 504,925	1,760,000 798,140	2,945,000 1,584,375	270,000 126,611	1,545,000 880,156	800,000 1,206,463	415,000 31,772	14,110,000 6,616,719
2015	Principal 2,170,000 Interest 313,200	1,655,000 310,801	1,645,000 583,228	1,255,000 440,858	1,840,000 709,940	3,110,000 1,433,000	280,000 116,676	1,605,000 809,431	845,000 1,164,281	419,000 29,904	14,824,000 5,911,320
2016	Principal 2,290,000 Interest 192,780	1,735,000 228,791	1,745,000 492,122	1,325,000 371,825	1,930,000 616,610	3,280,000 1,273,250	290,000 106,091	1,680,000 743,731	890,000 1,117,625	422,000 28,019	15,587,000 5,170,845
2017	Principal 2,425,000 Interest 65,475	1,820,000 141,000	1,850,000 394,350	1,400,000 297,550	2,020,000 517,860	3,460,000 1,104,750	305,000 94,672	1,755,000 675,031	940,000 1,066,713	427,000 26,120	16,402,000 4,383,521
2018	Principal Interest	1,910,000 47,750	1,960,000 289,575	1,480,000 218,350	2,120,000 414,360	3,650,000 927,000	315,000 82,463	1,835,000 603,231	995,000 1,011,669	431,000 24,199	14,696,000 3,618,597
2019	Principal Interest	Interest	2,080,000 178,475	1,570,000 134,475	2,225,000 304,344	3,850,000 735,500	330,000 69,563	1,915,000 527,034	1,055,000 951,413	435,000 22,259	13,460,000 2,927,062
2020	Principal Interest	Principal Interest	2,205,000 60,638	1,660,000 45,650	2,335,000 187,494	4,060,000 541,750	345,000 55,847	2,000,000 445,038	1,120,000 886,163	439,000 20,302	14,164,000 2,242,881
2021	Principal Interest	Principal Interest	Principal Interest	2,455,000 63,830	2,455,000 63,830	4,285,000 333,125	360,000 41,081	2,100,000 356,600	1,190,000 816,863	443,000 18,326	10,833,000 1,629,825
2022	Principal Interest	Principal Interest	Principal Interest	4,520,000 113,000	380,000 25,356	2,210,000 262,319	1,265,000 743,213	2,210,000 262,319	1,265,000 743,213	447,000 16,333	8,822,000 1,160,221
2023	Principal Interest	Principal Interest	Principal Interest	Principal Interest	395,000 8,641	2,320,000 161,775	1,345,000 664,913	2,320,000 161,775	1,345,000 664,913	451,000 14,321	4,511,000 849,649
2024	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	2,435,000 54,788	1,425,000 581,813	2,435,000 54,788	1,425,000 581,813	456,000 12,292	4,316,000 648,892
2025	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	1,515,000 491,719	1,515,000 491,719	1,515,000 491,719	460,000 10,240	1,975,000 501,959
2026	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	1,615,000 393,906	1,615,000 393,906	1,615,000 393,906	464,000 8,170	2,079,000 402,076
2027	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	1,720,000 289,688	1,720,000 289,688	1,720,000 289,688	469,000 6,082	2,189,000 295,770
2028	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	1,830,000 178,750	1,830,000 178,750	1,830,000 178,750	473,000 3,971	2,303,000 182,721
2029	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	Principal Interest	1,945,000 60,781	1,945,000 60,781	1,945,000 60,781	409,505 1,843	2,354,505 62,624
Total Principal	10,875,000	10,215,000	14,505,000	10,995,000	18,370,000	35,950,000	3,530,000	22,885,000	21,260,000	7,027,797	156,056,505
Total Interest	1,531,242	1,577,801	3,418,007	2,577,928	4,494,278	9,777,500	864,972	6,467,616	12,869,644	307,775	43,886,763
Total Future Debt Payments	\$ 12,406,242	\$ 11,792,801	\$ 17,923,007	\$ 13,572,928	\$ 22,864,278	\$ 45,727,500	\$ 4,394,972	\$ 29,352,616	\$ 34,129,644	\$ 7,335,572	\$ 199,943,268

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**December 31, 2012**  
**(Unaudited)**

		<b>Drainage Special Tax Bonds</b>		
		<b>Series</b>	<b>Series</b>	<b>All Bond</b>
		<b>1998</b>	<b>2002</b>	<b>Issues</b>
2013	Principal	595,000	830,000	1,425,000
	Interest	198,280	593,218	791,498
2014	Principal	625,000	865,000	1,490,000
	Interest	170,018	560,018	730,036
2015	Principal	655,000	900,000	1,555,000
	Interest	140,018	525,418	665,436
2016	Principal	685,000	940,000	1,625,000
	Interest	108,250	489,418	597,668
2017	Principal	720,000	985,000	1,705,000
	Interest	74,000	450,878	524,878
2018	Principal	760,000	1,030,000	1,790,000
	Interest	38,000	38,000	76,000
2019	Principal		1,870,000	1,870,000
	Interest		365,218	365,218
2020	Principal		1,960,000	1,960,000
	Interest		282,938	282,938
2021	Principal		2,055,000	2,055,000
	Interest		194,738	194,738
2022	Principal		2,155,000	2,155,000
	Interest		100,208	100,208
Total Principal		4,040,000	13,590,000	17,630,000
Total Interest		728,566	3,600,048	4,328,614
Total Future Debt Payments		<u>\$ 4,768,566</u>	<u>\$ 17,190,048</u>	<u>\$ 21,958,614</u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**SCHEDULE OF FUTURE DEBT PAYMENTS**  
**December 31, 2012**  
**(Unaudited)**

		All Departments			
		Water	Sewer	Drainage	Total
2013	Principal	2,435,000	13,431,000	1,425,000	17,291,000
	Interest	1,493,380	7,282,083	791,498	9,566,960
2014	Principal	2,545,000	14,110,000	1,490,000	18,145,000
	Interest	1,374,043	6,616,719	730,036	8,720,798
2015	Principal	2,655,000	14,824,000	1,555,000	19,034,000
	Interest	1,249,330	5,911,320	665,436	7,826,085
2016	Principal	2,775,000	15,587,000	1,625,000	19,987,000
	Interest	1,118,700	5,170,845	597,668	6,887,212
2017	Principal	2,905,000	16,402,000	1,705,000	21,012,000
	Interest	981,615	4,383,521	524,878	5,890,013
2018	Principal	3,040,000	14,696,000	1,790,000	19,526,000
	Interest	837,530	3,618,597	76,000	4,532,127
2019	Principal	3,195,000	13,460,000	1,870,000	18,525,000
	Interest	686,750	2,927,062	365,218	3,979,030
2020	Principal	3,345,000	14,164,000	1,960,000	19,469,000
	Interest	527,000	2,242,880	282,938	3,052,818
2021	Principal	3,510,000	10,833,000	2,055,000	16,398,000
	Interest	359,750	1,629,825	194,738	2,184,312
2022	Principal	3,685,000	8,822,000	2,155,000	14,662,000
	Interest	184,250	1,160,221	100,208	1,444,678
2023	Principal		4,511,000		4,511,000
	Interest		849,649		849,649
2024	Principal		4,316,000		4,316,000
	Interest		648,892		648,892
2025	Principal		1,975,000		1,975,000
	Interest		501,959		501,959
2026	Principal		2,079,000		2,079,000
	Interest		402,076		402,076
2027	Principal		2,189,000		2,189,000
	Interest		295,770		295,770
2028	Principal		2,303,000		2,303,000
	Interest		182,721		182,721
2029	Principal		2,354,505		2,354,505
	Interest		62,624		62,624
Total Principal		30,090,000	156,056,505	17,630,000	203,776,505
Total Interest		8,812,348	43,886,762	4,328,614	57,027,723
Total Future Debt Payments		\$ 38,902,348	\$ 199,943,267	\$ 21,958,614	\$ 260,804,228

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**PROPERTY VALUE, NEW CONSTRUCTION AND BANK DEPOSITS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	New Commercial Construction (1)		New Residential Construction (1)		Bank deposits (2) (in thousands)	Estimated actual property value (3) (in thousands)
	Number of units	Value (in thousands)	Number of units	Value (in thousands)		
2003	304	66,458	2,902	153,649	8,256,119	15,040,871
2004	1,397	354,716	2,576	167,353	9,416,433	16,731,518
2005	176	329,401	555	76,400	8,951,961	16,774,183
2006	473	139,866	667	95,552	11,252,684	13,245,167
2007	2,044	506,281	1,427	182,729	10,062,454	14,645,214
2008	1,929	550,895	1,215	160,387	10,553,556	20,698,664
2009	364	220,748	1,862	227,714	10,480,561	21,974,841
2010	349	549,906	1,102	160,331	12,175,831	
2011	365	266,981	1,047	161,875	10,024,118	
2012					10,862,390	

(1) City of New Orleans (2011 latest year for which information is available)

(2) Summary of Deposits (as of December 31, 2012) - bank branches located in New Orleans, Federal Depository Insurance Corporation.

(3) Source: City of New Orleans (2009 latest year for which information is available)



SEWERAGE AND WATER BOARD OF NEW ORLEANS  
CAPITAL ASSET STATISTICS BY FUNCTION  
Last Seven Fiscal Years  
(Unaudited)

	Year						
	2006	2007	2008	2009	2010	2011	2012
Water:							
Water lines (miles)	1,582	1,583	1,586	1,587	1,590	1,597	1,599
Water manholes	29,576	29,632	29,673	29,741	29,957	30,150	30,194
Water valves	29,219	29,246	29,255	29,277	29,366	29,611	29,521
Fire hydrants	22,771	22,780	22,785	22,894	22,989	23,045	23,078
Sewer:							
Sewers lines (miles)	1,486	1,503	1,507	1,512	1,518	1,519	1,520
Sewer manholes	22,829	22,922	22,974	22,998	23,047	22,977	22,983

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**NUMBER OF ACTIVE EMPLOYEES**  
**Last Six Fiscal Years**  
**(Unaudited)**

<u>Year</u>	<u>Number of Active Employees</u>
2012	991
2011	994
2010	974
2009	964
2008	940
2007	899

Source: Sewerage and Water Board of New Orleans.

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Cooperative venture: In partnership with St. Bernard Parish, work is underway by the S&WB on the first phase of a long-term effort to divert treated effluent from the East Bank Sewage Treatment Plant into a formerly dead cypress habitat. The habitat has largely reverted to open water south of Bayou Bienvenue and the Mississippi River Gulf Outlet in Orleans and St. Bernard.

Use of the wetlands for assimilation of wastewater has several benefits, including reducing the effects of salt water intrusion in the project area and increasing the build up of sediment to improve habitat quality and plant productivity. Ultimately, cypress replanting will aid in wetland stability, water filtration and storm protection for future generations. In this photo, effluents are being distributed to the open water area.



The Sewerage and Water Board saves thousands of dollars a year by operating its own in-house Mailing and Printing Departments. The mailing staff processed approximately 1,864,398 pieces of mail in 2012. This includes customer bills and customer communications, applications for new service, corrected bills, payments to sub-contractors, checks for retirees and the return of customer deposits. The department also includes billing inserts with important news from the City and community and civic associations.

The Print Shop made 1.1 million reproductions last year, many under tight deadlines. The staff prepares reports, booklets, color presentations and handout, billing inserts and much more.

Recently, the Community and Intergovernmental Relations Department worked with the Mailing and Printing Departments to develop a cheaper method of mailing an annual government-mandated report on the quality of drinking water to every S&WB customer, again saving thousands of dollars for customers.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

2012 ACTUAL CAPITAL EXPENDITURES

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<u>WATER DEPARTMENT</u>		
<u>C.P.#</u>	<u>WATERWORKS</u>	
110	Normal Extension & Replacement	\$ 538,567.30
135	Improvement of Chemical System	3,555.14
156	Advance Water Treatment	1,005,974.91
175	Water Hurricane Recovery Bonds	22,866,526.14
	TOTAL WATERWORKS	<u>\$ 24,414,623.49</u>
 <u>WATER DISTRIBUTION</u>		
214	Normal Extension & Replacement	\$ 1,848,698.06
215	Rehabilitation - Mains, Hydrants and Services	\$ (1,007.91)
239	Mains DPW Contracts	717,133.13
	TOTAL WATER DISTRIBUTION	<u>\$ 2,564,823.28</u>
 <u>GENERAL BUDGET</u>		
800	Water Share of General Budget Items	5,631,388.72
	GENERAL BUDGET	<u>\$ 5,631,388.72</u>
	TOTAL WATER DEPARTMENT	<u><u>\$ 32,610,835.49</u></u>

NOTE: These figures do not include proration of interest expense.

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**2012 ACTUAL CAPITAL EXPENDITURES**

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**SEWERAGE DEPARTMENT**

<b><u>C.P.#</u></b>	<b><u>SEWERAGE SYSTEM</u></b>		
317	Normal Extensions & Replacement of Gravity Mains	\$	10,109,846.49
318	Rehabilitation Gravity Sewer System		1,009,949.16
326	Extensions & Replacement to Sewer Pumping Stations		40,028.86
339	Main in Streets Dept. Contracts		1,534,332.72
348	Normal Extensions & Replacements		1,593,234.31
368	Wetlands assimilation Project		1,100,903.58
375	Sewerage Hurricane Recovery Bonds		31,233,350.42
381	Modification & Extension of WBSTP to 20/50 MGD		3,575.38
	TOTAL SEWERAGE SYSTEM	\$	<u>46,625,220.92</u>
 <b><u>POWER PROJECTS AND GENERAL BUDGET</u></b>			
800	Sewerage Share of General Budget Items		5,589,364.99
	TOTAL GENERAL BUDGET	\$	<u>5,589,364.99</u>
	TOTAL SEWERAGE DEPARTMENT	\$	<u><u>52,214,585.91</u></u>

NOTE: These figures do not include proration of interest expense.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## 2012 ACTUAL CAPITAL EXPENDITURES

### DRAINAGE DEPARTMENT

<u>C.P.#</u>	<u>CANALS</u>	
418	Normal Extension & Replacements	\$ 2,328,523.73
439	Major Drainage Participation in DPW Projects	829,572.60
471	SELA Program Management	1,554,061.64
476	Hollygrove Canals (SELA-A)	141,628.66
478	S. Claiborne-Lowerline to Monticello Street	2,202,524.50
486	Napoleon Avenue Canal Improvements (SELA-B)	3,439,175.97
496	General DeGaulle Canal (SELA-C)	115,909.61
497	Florida Ave. Canal - DPS#19 to Peoples Ave. (SELA-B)	676,736.73
498	Dwyer Intake Canal (St. Charles to Dwyer (DPS)(SELA-A)	575,922.64
499	Jefferson Avenue Canal	<u>3,129,032.43</u>
	TOTAL DRAINAGE CANALS	\$ 14,993,088.51
	<u>PUMPING STATIONS</u>	
511	Normal Extension & Rep./Stations	\$ 1,484,990.94
554	Expansion of Dwyer DPS (SELA-A)	515.65
575	Drainage Hurricane Recovery Bonds	748,820.30
	TOTAL DRAINAGE PUMPING STATIONS	<u>\$ 2,234,326.89</u>
	<u>GENERAL BUDGET</u>	
600	Modification of Steam System	1,289,202.00
800	Drainage Share of General Budget Items	4,328,005.95
	TOTAL GENERAL BUDGET	<u>\$ 5,617,207.95</u>
	TOTAL DRAINAGE DEPARTMENT	<u><u>\$ 22,844,623.35</u></u>

NOTE: These figures do not include proration of interest expense.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## 2012 ACTUAL CAPITAL EXPENDITURES

<u>C.P.#</u>	<u>POWER PROJECTS</u>	<u>POWER PROJECTS</u>				<u>Total</u>
		<u>Water</u>	<u>Sewerage</u>	<u>Drainage</u>		
613	Modification of Steam System	\$ -	\$ -	\$ 1,289,202.00		\$ 1,289,202.00
	TOTAL POWER PROJECTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,289,202.00</u>		<u>\$ 1,289,202.00</u>

NOTE: These figures do not include proration of interest expense.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## 2012 ACTUAL CAPITAL EXPENDITURES

### GENERAL BUDGET ITEMS

C.P.#	General Budget Items	Water	Sewerage	Drainage	Total
803	Property Acquisition	\$ -	\$ -	\$ 59,045.00	\$ 59,045.00
812	Computer Systems Development	\$ 33,761.72	\$ 33,436.83	\$ 33,507.90	\$ 100,706.45
820	Overhead Charged to Capital	\$ 3,640,334.34	\$ 4,007,840.77	\$ 3,573,827.08	\$ 11,222,002.19
823	Purchase of Water Meters	\$ 835,608.42	\$ 835,608.38	\$ -	\$ 1,671,216.80
842	Revenue Department Equipment Purchases	\$ 83,294.40	\$ 83,294.39	\$ -	\$ 166,588.79
843	Minor Equipment Purchases	\$ 27,506.19	\$ 27,677.99	\$ 60,119.34	\$ 115,303.52
862	Fire Hydrants and Related Parts	\$ 124,650.81	\$ -	\$ -	\$ 124,650.81
864	Meter Boxes	\$ 84,224.00	\$ -	\$ -	\$ 84,224.00
875	General Budget Items Hurricane Recovery Bonds	\$ 802,008.84	\$ 601,506.63	\$ 601,506.63	\$ 2,005,022.10
TOTAL GENERAL BUDGET ITEMS		<u>\$ 5,631,388.72</u>	<u>\$ 5,589,364.99</u>	<u>\$ 4,328,005.95</u>	<u>\$ 15,548,759.66</u>

NOTE: These figures do not include proration of interest expense.

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANALYSIS OF PUMPING AND POWER DEPARTMENT  
POWER PURCHASED AND PRODUCED  
NATURAL GAS AND FUEL OIL CONSUMED  
TEN YEARS 2003 THROUGH 2012

YEAR	ELECTRIC POWER PURCHASED		ELECTRIC & STEAM POWER GENERATED BY THE S&WB		NATURAL GAS & FUEL OIL USED TO GENERATE ELECTRIC & STEAM POWER			
	KW-HRS	\$ AMOUNT	KW-HRS	\$ AMOUNT	NATURAL GAS		FUEL OIL	
					MCF	\$ AMOUNT	GALLONS	\$ AMOUNT
2003	63,393,258	\$4,213,376	37,952,434	\$9,228,925	1,322,240	\$9,214,066	17,481	\$14,859
2004	63,393,258	\$5,100,646	37,845,120	\$11,851,909	1,346,750	\$11,850,932	1,149	\$977
2005	56,511,639	\$5,038,729	32,232,480	\$15,857,910	1,442,440	\$15,834,817	27,168	\$23,093
2006	67,474,620	\$7,371,029	37,464,720	\$14,587,880	1,285,200	\$14,587,701	211	\$179
2007	68,574,205	\$7,278,339	39,421,440	\$15,138,653	1,464,900	\$15,131,635	1,464	\$7,018
2008	62,579,355	\$7,051,655	40,407,984	\$19,125,397	1,535,660	\$18,895,716	85,222	\$229,681
2009	67,889,778	\$6,422,589	37,716,720	\$10,651,094	1,449,540	\$10,651,094	0	\$0
2010	70,609,461	\$6,653,752	39,090,720	\$9,719,013	1,332,770	\$9,669,414	12,883	\$49,600
2011	70,049,094	\$6,180,373	27,351,600	\$10,721,624	1,552,330	\$10,721,356	315	\$268
2012	63,873,900	\$5,941,992	44,819,460	\$9,180,160	1,605,720	\$9,174,678	1,459	\$5,482
TOTALS	590,474,668	\$55,310,488	329,483,218	\$116,882,405	12,731,830	\$116,556,731	145,893	\$325,674

**SEWERAGE AND WATER BOARD OF NEW ORLEANS  
POWER PURCHASED AND PRODUCED  
NATURAL GAS AND FUEL OIL CONSUMED - 2012**

	KW-HOURS	COST
ELECTRIC POWER PURCHASED	63,873,900	\$5,941,992.30
ELECTRIC AND STEAM POWER GENERATED BY THE S.& W.B.*	44,819,460	\$9,180,159.72
TOTAL	108,693,360	\$15,122,152.02

NOTE: \*NATURAL GAS CONSUMED IN OPERATION WAS 1,605,720 MCF  
AT A COST OF \$9,174,678. FUEL OIL CONSUMED WAS 1,459 GALLONS  
AT A COST OF \$5,482.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## WATER PUMPED AND CONSUMED - 2012

Number of Meters		Gallons	Percent
	Free metered process water to various City departments and charitable institutions:		
10	Display Fountains	4,308,800	
36	Fire Department	16,393,900	
16	Swimming Pools	3,841,800	
17	Libraries	5,721,100	
108	Municipal	86,465,800	
245	Parks and Playgrounds	229,551,000	
74	Police Department	156,910,600	
166	Schools	169,644,900	
672		672,837,900	1.23%
225	Free metered process water by Sewerage and Water Board	622,443,400	1.14%
	Allowance for leaks on private property	205,961,300	0.38%
	Free unmetered process water:		
	Unmetered use, such as: extinguishment of fires, cleaning streets, flushing sewers, drains, and gutters, cleaning markets and other public buildings	37,856,511,320	69.18%
	Leaks in distribution system as measured by Echologics	1,563,100,880	2.86%
	Water sold to customers	13,801,965,200	25.22%
	Total Water Pumped	54,722,820,000	100.00%



## SEWERAGE AND WATER BOARD OF NEW ORLEANS

### Gallons Metered - Pay Water Consumption - 2012

<u>Month</u>	<u>Consumption</u>
January	1,019,203,500
February	1,083,572,400
March	1,116,620,500
April	1,149,220,000
May	1,044,507,500
June	1,173,162,000
July	1,315,905,900
August	1,102,224,700
September	1,213,907,200
October	1,321,840,400
November	1,111,027,900
December	<u>1,150,773,200</u>
Gross Total	<u><u>13,801,965,200</u></u>

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**MONTHLY WATER CHARGES COLLECTED - 2012**

As of December 31, 2012

<u>Months</u>	<u>Water Service Charges &amp; Fees</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	4,983,432.29	86,949.78	5,070,382.07
February	5,207,915.18	78,315.89	5,286,231.07
March	5,431,520.30	78,318.12	5,509,838.42
April	4,878,646.10	83,358.17	4,962,004.27
May	5,632,359.34	89,146.51	5,721,505.85
June	4,705,751.16	78,553.40	4,784,304.56
July	5,777,363.96	77,036.79	5,854,400.75
August	4,923,142.57	74,726.93	4,997,869.50
September	4,864,742.24	75,758.29	4,940,500.53
October	6,599,082.11	108,266.55	6,707,348.66
November	4,706,980.08	84,284.39	4,791,264.47
December	4,787,066.97		4,787,066.97
	<u>\$62,498,002.30</u>	<u>\$914,714.82</u>	<u>\$63,412,717.12</u>

**MONTHLY SEWERAGE CHARGES COLLECTED - 2012**

<u>Months</u>	<u>Sewerage Service Charges</u>	<u>Delinquent Fees</u>	<u>Total</u>
January	5,460,329.20	58,087.41	5,518,416.61
February	5,593,946.02	52,326.42	5,646,272.44
March	5,817,192.21	52,328.53	5,869,520.74
April	5,594,553.48	55,687.50	5,650,240.98
May	6,267,243.41	59,553.41	6,326,796.82
June	5,103,481.16	52,486.01	5,155,967.17
July	6,170,616.17	51,472.73	6,222,088.90
August	5,311,559.20	49,922.21	5,361,481.41
September	5,540,391.96	50,602.88	5,590,994.84
October	7,208,639.28	72,306.32	7,280,945.60
November	5,350,985.27	56,303.22	5,407,288.49
December	5,314,168.44	51,929.25	5,366,097.69
	<u>\$68,733,105.80</u>	<u>\$663,005.89</u>	<u>\$69,396,111.69</u>

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE I**  
As of December 31, 2012

## CARROLLTON TURBIDITIES

	River (NTU)					Effluent Settling Reservoirs (NTU)					Filters (NTU)				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Maximum	165	320	274	282	159	15	19	8.3	10	7.3	0.90	0.78	0.26	0.22	0.35
Minimum	7	5	5	11	5	1.0	1.1	1.1	1.0	0.5	0.09	0.09	0.07	0.08	0.08
Average	67	71	71	51	34	4.9	3.1	3.2	2.9	2.0	0.13	0.14	0.13	0.13	0.12

**TABLE II**

## CARROLLTON ALKALINITIES PARTS PER MILLION

	River					Effluent Settling Reservoirs					Filters				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Maximum	183	185	212	163	154	171	175	202	165	146	202	200	225	195	168
Minimum	78	83	93	83	81	63	72	76	66	53	71	80	98	88	99
Average	117	121	143	125	122	107	114	135	115	110	124	134	155	135	135

**TABLE II A**

## CARROLLTON HARDNESS PARTS PER MILLION

	NON-CARBONATE HARDNESS										TOTAL HARDNESS									
	RIVER					FILTERS					RIVER					FILTERS				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Maximum	70	91	84	105	104	76	92	91	83	109	250	211	238	220	214	250	227	278	238	242
Minimum	4	0	0	17	19	15	0	0	26	1	114	110	116	115	115	114	130	140	132	143
Average	38	33	36	47	43	50	40	41	55	55	155	153	178	172	164	175	173	195	191	190

**TABLE III**

## CARROLLTON BACTERIAL CHARACTERISTICS TOTAL COLIFORM ANALYSIS

2012	River	Plant Tap	Distribution System
Maximum (Colonies / 100 ml)	3,400	1	4
Minimum (Colonies / 100 ml)	67	0	0
Average (colonies / 100 ml)	740	0	0
Number of Samples	355	365	2,367
Number of Samples Negative	0	364	2,365
Number of Samples Positive	355	1	2*

\* Neither of these 2 total coliform positive samples was *E. coli* positive, and neither resulted in a violation of the Total Coliform Rule.

SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-A

PRINCIPLE RESULTS OF OPERATION OF THE G3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	2,729.04	91.08 80.83 88.03	0	0.00	97,285	4.66 3.62 4.28	109,164	5.22 4.21 4.80	79 25 57	119 86 103	7.3 1.5 3.3
February	Max. Min. Avg.	2,470.71	91.25 85.46 88.24	0	0.00	97,448	5.23 3.83 4.73	109,496	5.89 4.26 5.31	120 44 74	114 90 96	5.2 1.8 3.0
March	Max. Min. Avg.	2,742.17	90.92 83.75 88.46	0	0.00	107,436	5.13 4.27 4.70	120,664	5.81 4.79 5.28	100 17 58	126 81 104	3.5 1.1 1.9
April	Max. Min. Avg.	2,931.00	104.71 81.50 97.70	0	0.00	90,174	4.72 3.32 3.72	101,681	5.31 3.75 4.20	83 31 49	129 88 111	3.4 1.0 1.8
May	Max. Min. Avg.	3,061.33	106.83 84.96 98.75	0	0.00	98,373	4.85 2.86 3.88	111,021	5.45 3.21 4.38	159 30 71	138 112 126	3.7 1.0 2.1
June	Max. Min. Avg.	2,529.38	86.83 82.25 84.31	0	0.00	88,556	4.58 3.85 4.20	100,116	5.38 4.32 4.75	44 9 17	150 120 138	3.5 1.1 2.0
July	Max. Min. Avg.	2,521.58	84.54 77.63 81.34	0	0.00	86,643	4.41 3.92 4.15	97,321	4.96 4.40 4.63	18 7 10	154 132 145	3.6 1.0 1.8
August	Max. Min. Avg.	2,530.75	85.83 71.13 81.64	0	0.00	85,878	4.29 3.77 4.06	95,709	4.82 4.13 4.53	18 6 10	145 128 139	3.5 0.9 1.6
September	Max. Min. Avg.	2,565.04	95.46 80.42 85.50	0	0.00	90,316	4.87 3.89 4.22	101,512	5.49 4.11 4.74	20 5 11	138 114 130	2.8 0.8 1.4
October	Max. Min. Avg.	2,741.88	94.00 82.38 88.45	0	0.00	102,403	4.96 4.17 4.48	115,130	5.49 4.69 5.04	33 5 12	131 103 117	2.0 0.5 1.3
November	Max. Min. Avg.	2,599.17	91.67 80.17 86.64	0	0.00	94,259	4.98 4.00 4.35	105,997	5.60 4.49 4.89	22 7 12	140 107 121	2.8 1.0 1.6
December	Max. Min. Avg.	2,704.29	92.75 82.63 87.24	0	0.00	93,720	4.70 3.63 4.16	105,286	5.27 4.09 4.67	80 6 23	143 96 122	3.5 0.7 1.7
Total		32,126.33		0	0.00	1,132,492		1,273,097				
General	Max. Min. Avg.	3,061.33 2,470.71 2,672.48	106.83 71.13 88.02	0 0 0	0.00 0.00 0.00	107,436 85,878 94,110	5.23 2.86 4.23	120,664 95,709 105,812	5.89 3.21 4.75	159 5 34	154 81 122	7.3 0.5 2.0

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-B

## PRINCIPLE RESULTS OF OPERATION OF THE G4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	79 25 57	119 86 103	
February	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	120 44 74	114 90 96	
March	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	100 17 58	126 81 104	
April	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	83 31 49	129 88 111	
May	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	159 30 71	138 112 126	
June	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	44 9 17	150 120 138	
July	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	18 7 10	154 132 145	
August	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	18 6 10	145 128 139	
September	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	20 5 11	138 114 130	
October	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	33 5 12	131 103 117	
November	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	22 7 12	140 107 121	
December	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	80 6 23	143 96 122	
Total		0.00		0		0		0				
General	Max. Min. Avg.	0.00 0.00 0.00	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	0 0 0	0.00 0.00 0.00	159 5 34	154 81 122	

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-C

## PRINCIPLE RESULTS OF OPERATION OF THE L3 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	11	12	13
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	1,561.71	60.67 42.38 50.38	0	0.00 0.00 0.00	61,362	5.43 3.83 4.72	69,387	6.17 4.41 5.34	79 25 57	119 86 103	6.7 1.9 3.4
February	Max. Min. Avg.	1,269.42	51.54 40.96 47.28	0	0.00 0.00 0.00	51,971	5.87 4.33 4.67	58,731	6.25 4.96 5.25	120 44 74	114 90 96	5.1 1.7 3.2
March	Max. Min. Avg.	1,355.79	48.00 40.88 45.13	0	0.00 0.00 0.00	57,621	5.78 4.49 5.00	65,539	6.68 5.08 5.71	100 17 58	126 81 104	3.8 1.0 2.2
April	Max. Min. Avg.	1,482.92	54.58 40.46 49.43	0	0.00 0.00 0.00	52,780	5.59 3.67 4.30	59,806	6.27 4.07 4.87	83 31 49	129 88 111	3.3 1.4 2.1
May	Max. Min. Avg.	1,496.29	58.25 42.29 49.88	0	0.00 0.00 0.00	50,214	5.26 3.31 4.06	57,414	6.00 3.79 4.64	159 30 71	138 112 126	3.1 0.9 2.1
June	Max. Min. Avg.	1,408.63	53.42 40.17 44.04	0	0.00 0.00 0.00	47,990	4.91 4.32 4.69	55,943	6.17 4.93 5.46	44 9 17	150 120 138	4.1 1.2 2.2
July	Max. Min. Avg.	1,574.21	56.58 45.42 50.78	0	0.00 0.00 0.00	53,481	4.66 3.52 4.08	60,960	5.29 4.02 4.65	18 7 10	154 132 145	3.4 1.2 1.9
August	Max. Min. Avg.	1,570.50	53.50 45.92 50.66	0	0.00 0.00 0.00	53,486	5.79 3.60 4.09	61,341	5.30 4.41 4.69	18 6 10	145 128 139	3.0 1.0 1.8
September	Max. Min. Avg.	1,595.88	57.33 39.50 53.20	0	0.00 0.00 0.00	58,480	5.31 3.81 4.40	65,628	6.09 4.34 4.94	20 5 11	138 114 130	2.6 1.1 1.7
October	Max. Min. Avg.	1,708.29	58.42 49.54 54.94	0	0.00 0.00 0.00	60,744	4.66 3.58 4.13	68,696	5.15 4.39 4.71	33 5 12	131 103 117	3.1 0.9 1.5
November	Max. Min. Avg.	1,578.46	57.46 46.04 52.62	0	0.00 0.00 0.00	56,038	4.78 3.77 4.27	63,356	5.39 4.25 4.83	22 7 12	140 107 121	2.9 1.0 1.7
December	Max. Min. Avg.	1,460.13	55.67 41.29 47.10	0	0.00 0.00 0.00	54,526	5.14 3.86 4.49	61,341	5.80 4.35 5.05	80 6 23	143 96 122	3.1 1.0 1.7
Total		18,062.21		0		658,692		748,142				
General	Max. Min. Avg.	1,708.29 1,269.42 1,505.18	60.67 39.50 49.49	0 0 0	0.00 0.00 0.00	61,362 47,990 54,891	5.87 3.31 4.37	69,387 55,943 62,345	6.68 3.79 4.97	159 5 34	154 81 122	6.7 0.9 2.1



SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-D

PRINCIPLE RESULTS OF OPERATION OF THE L4 CONVENTIONAL UNIT AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	13	14	15
Month		Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total pounds of Polymer used at Intake	Polymer at Intake Parts Per Million	Total Pounds of Polymer used in Plant	Polymer in Plant Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Pure Iron (Fe) Parts Per Million	NTU Turbidity of River Water	PPM Alkalinity of River Water	NTU Turbidity of Unit Effluent
January	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	79 25 57	119 86 103	
February	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	120 44 90	114 90 96	
March	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	100 17 58	126 81 104	
April	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	83 31 49	129 88 111	
May	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	159 30 71	138 112 126	
June	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	44 9 17	150 120 138	
July	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	18 7 10	154 132 145	
August	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	18 6 10	145 128 139	
September	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	20 5 11	138 114 130	
October	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	33 5 12	131 103 117	
November	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	22 7 12	140 107 121	
December	Max. Min. Avg.	0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	80 6 23	143 96 122	
Total		0.00	0.00	0	0.00	0	0.00	0	0.00	159	154	
General	Max. Min. Avg.	0.00 0.00 0.00	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	0	0.00 0.00 0.00	5 34	81 122	

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE IV-E

## MONTHLY SUMMARY OF COMBINED OPERATION OF CONVENTIONAL UNITS AT THE CARROLLTON WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Month		Total Gallons of Water Treated During Month	Amount of Water Treated Gallons Per 24 Hours	Total Pounds of Polymer used at Intake	Total Pounds of Polymer used in Plant	Total Pounds of Fluoride (100%) used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) used During Month	Total Pounds of Lime Used During Month	Lime Parts per Million	Total Pounds of Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Ammonia Parts Per Million	Total Pounds of Polyphosphate Used During Month	Polyphosphate Parts Per Million	Alkalinity of Filled Water Parts Per Million (OFE)	Estimated High Lift Pumpage
																		Total M.G. M.G.D.
January	Max. Min. Avg.	4,290.76 132.25 138.41	145.46 138.41 138.41	0	158,647	18,108	0.55 0.38 0.50	178,551	818,851	27.88 18.05 22.85	161,515	4.72 4.28 4.51	33,947	1.02 0.88 0.95	19,101	0.56 0.52 0.53	140 105 125	145.04 4,344.52 135.20
February	Max. Min. Avg.	3,740.14 126.83 133.58	139.17 126.83 133.58	0	149,419	14,646	0.49 0.42 0.46	169,227	655,954	24.89 18.59 21.03	142,362	4.83 4.36 4.57	28,506	0.97 0.87 0.91	16,768	0.57 0.52 0.54	122 99 111	142.48 3,831.60 130.92
March	Max. Min. Avg.	4,097.98 121.13 132.19	138.79 121.13 132.19	0	165,057	16,031	0.48 0.39 0.45	188,203	813,914	26.05 21.63 23.82	157,996	5.13 4.10 4.62	31,792	0.97 0.88 0.93	18,645	0.57 0.51 0.55	140 100 121	145.64 4,317.20 133.80
April	Max. Min. Avg.	4,411.38 129.88 147.05	156.96 129.88 147.05	0	142,954	14,351	0.45 0.31 0.42	161,487	756,026	24.68 16.51 20.56	163,224	4.96 4.17 4.44	34,165	1.03 0.87 0.93	17,718	0.57 0.44 0.62	148 100 123	139.84 4,088.16 125.16
May	Max. Min. Avg.	4,603.32 133.04 148.48	163.29 133.04 148.48	0	148,587	11,092	0.43 0.25 0.32	168,435	835,181	25.75 18.14 21.74	180,251	5.35 4.29 4.72	37,235	1.14 0.88 0.97	19,541	0.62 0.44 0.51	149 125 139	151.12 4,110.00 121.40
June	Max. Min. Avg.	3,938.02 126.67 131.27	136.42 126.67 131.27	0	136,546	7,100	0.25 0.18 0.22	156,059	862,694	34.00 13.34 26.24	186,439	6.11 5.31 5.68	38,504	1.29 1.09 1.17	17,716	0.59 0.49 0.54	160 125 146	138.88 3,939.60 124.28
July	Max. Min. Avg.	4,095.80 123.67 132.12	136.79 123.67 132.12	0	140,124	6,231	0.20 0.16 0.18	158,281	979,820	32.26 24.68 28.70	209,025	6.70 5.91 6.12	41,914	1.34 1.19 1.23	20,949	0.73 0.51 0.61	168 136 154	140.28 4,152.72 128.24
August	Max. Min. Avg.	4,110.08 117.96 132.58	141.50 117.96 132.58	0	139,364	5,630	0.18 0.11 0.16	157,050	892,803	28.15 13.80 25.54	214,845	6.94 4.41 6.28	42,604	1.32 1.19 1.24	20,122	0.68 0.50 0.62	160 134 150	141.72 4,253.91 123.56
September	Max. Min. Avg.	4,160.93 131.75 138.70	142.79 131.75 138.70	0	148,796	6,874	0.27 0.11 0.19	167,140	871,687	27.15 22.56 25.12	214,215	6.51 5.81 6.17	42,920	1.30 1.19 1.24	18,891	0.57 0.48 0.54	152 121 140	150.04 4,331.20 137.36
October	Max. Min. Avg.	4,450.23 137.96 143.56	149.13 137.96 143.56	0	163,147	6,606	0.18 0.13 0.17	183,826	920,783	27.20 21.28 24.81	213,860	6.32 5.03 5.77	42,278	1.26 0.90 1.14	19,888	0.59 0.51 0.54	145 103 129	154.48 4,592.44 141.80
November	Max. Min. Avg.	4,177.65 134.42 139.26	144.33 134.42 139.26	0	150,296	5,415	0.19 0.13 0.15	169,354	804,172	28.82 20.08 23.07	188,602	5.87 4.85 5.41	34,964	1.09 0.96 1.00	20,802	0.64 0.57 0.60	144 125 136	152.24 4,389.48 139.96
December	Max. Min. Avg.	4,164.41 129.50 134.34	140.50 129.50 134.34	0	148,246	4,634	0.14 0.12 0.13	166,627	807,171	25.74 18.46 23.24	181,987	5.84 4.79 5.24	32,922	1.00 0.91 0.95	23,503	0.92 0.58 0.68	157 115 139	147.88 4,375.40 132.28
Total		50,240.70			1,791,184	116,719		2,021,239	10,019,156		2,214,321		441,752		233,646			50,726.2
General	Max. Min. Avg.	4,603.32 136.54 137.65	163.29 136.54 137.65	0	165,057	18,108	0.55 0.11 0.28	186,203 156,059 166,437	979,820 655,954 834,930	34.00 13.34 23.91	214,845 142,362 184,527	6.94 4.10 5.28	42,920 28,506 36,813	1.34 0.87 1.05	23,503 16,768 19,470	0.92 0.44 0.56	168 99 135	4,592.44 3,831.60 4,227.19

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE V

PRINCIPLE RESULTS OF OPERATION OF THE ALGIERS WATER PURIFICATION PLANT FOR THE YEAR ENDING: December 31, 2012

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Month		Low Lift Total Million Gallons of Water Treated During Month	Amount of Water Treated Million Gallons Per 24 Hours	Total Pounds of Polyelec- trolyte Used During Month	Polyelec- trolyte Parts Per Million	Total Pounds of Fluoride (100%) Used During Month	Fluoride Parts Per Million	Total Pounds of Pure Iron (Fe) Used During Month	Pure Iron (Fe) Parts Per Million	Total Pounds of Lime Used During Month	Lime Parts Per Million	Total Pounds of Anhydrous Ammonia Used During Month	Anhydrous Ammonia Parts Per Million	Total Pounds Chlorine Used During Month	Chlorine Parts Per Million	Total Pounds Polyphos- phate Used During Month	Polyphos- phate Parts Per Million	NTU Turbidity of Clarifier Effluent	PPM Clear Well Alkalinity of Filter Effluent	High Lift Pumpage Total M.G.D.
January	Max. Min. Avg.	359.87 11.61 11.75	14.00 10.00 11.75	12,334 4.11 334.59	4.55 3.54 4.05	1,652 4.11 2,000	0.69 0.32 0.52	17,707 5.92 2,000	10.55 4.63 6.45	191,602 63.97 19,297	80.10 42.44 4.50	2,848 5.95 6.45	0.98 0.91 0.67	19,297 0.95 0.67	7.78 4.50 0.52	2,000 6.45 0.52	0.79 0.52 0.52	2.7 0.4 1.3	71 53 65	11.75 10.27 10.79
February	Max. Min. Avg.	323.58 11.16 10.77	13.08 10.00 10.77	9,603 3.56 297.10	3.57 3.54 3.56	1,647 3.54 1,933	0.72 0.50 0.61	14,847 5.52 1,933	6.44 4.79 7.81	139,410 38.37 21,080	71.30 38.37 7.60	2,593 51.69 7.81	1.01 0.92 0.96	21,080 0.92 0.96	8.16 7.60 7.81	1,933 7.60 7.81	1.00 0.50 0.72	4.6 0.4 2.1	89 50 74	10.77 9.70 10.24
March	Max. Min. Avg.	337.15 10.88 11.37	12.00 10.00 11.37	10,027 3.56 307.86	3.60 3.56 3.57	1,420 3.56 2,067	0.76 0.37 0.51	15,818 5.48 2,067	7.91 4.12 8.50	163,314 40.00 23,046	80.06 40.00 7.92	2,665 57.99 8.20	1.01 0.92 0.95	23,046 0.92 0.95	8.50 7.92 8.20	2,067 7.92 8.20	0.80 0.66 0.74	4.5 0.4 1.7	82 66 74	10.97 8.86 9.93
April	Max. Min. Avg.	333.93 11.13 12.15	12.67 10.00 12.15	10,289 3.69 338.98	4.18 3.23 3.66	1,148 3.69 2,200	0.60 0.41 0.58	16,709 6.04 2,200	7.04 4.13 4.57	179,552 64.34 13,577	83.76 54.58 4.17	3,190 64.34 4.17	1.34 0.98 1.14	14,135 0.98 1.14	8.60 5.47 5.08	2,000 4.27 5.08	0.80 0.63 0.72	8.2 0.6 2.2	86 65 76	11.37 9.43 10.21
May	Max. Min. Avg.	354.16 11.42 12.53	14.00 10.00 12.53	10,805 3.66 353.92	3.83 3.56 3.60	1,409 3.66 2,200	0.60 0.48 0.51	17,515 5.96 2,200	9.23 4.95 5.79	205,125 35.04 13,577	102.73 35.04 4.17	3,406 70.44 4.17	1.40 1.04 1.15	13,577 1.04 1.15	5.58 4.17 5.04	2,200 4.17 5.04	1.00 0.57 0.83	5.6 0.5 3.7	111 60 115	12.15 8.97 11.27
June	Max. Min. Avg.	349.99 11.67 12.41	14.00 10.00 12.41	9,740 3.35 349.35	2.27 2.13 2.29	1,093 716 2,533	0.15 0.33 0.26	17,898 8.79 2,533	4.40 8.79 4.69	138,171 37.41 15,523	37.41 30.06 4.69	3,675 90.06 5.04	1.14 1.17 1.26	14,774 1.14 1.26	4.53 5.79 5.04	2,200 5.79 5.04	0.51 0.76 0.83	0.6 2.1 3.7	100 116 115	12.53 12.41 11.27
July	Max. Min. Avg.	369.51 11.92 11.65	14.00 10.00 11.65	7,055 2.29 349.35	2.34 2.13 2.29	716 748 2,533	0.11 0.23 0.26	20,073 8.79 2,533	3.85 9.23 4.69	178,472 34.14 15,523	178.472 34.14 4.69	3,886 90.06 5.04	1.45 1.17 1.26	15,523 1.17 1.26	5.79 4.69 5.04	2,533 4.69 5.04	1.20 0.57 0.83	10.5 0.5 3.7	138 75 115	12.41 10.20 11.27
August	Max. Min. Avg.	354.76 11.44 11.65	13.83 10.00 11.65	6,853 2.26 341.72	2.26 2.32 2.29	748 748 2,533	0.17 0.26 0.26	18,697 6.38 2,533	4.70 6.38 4.69	242,969 81.99 15,064	52.17 81.99 4.40	3,769 81.99 4.40	1.35 1.27 1.27	15,064 1.27 1.27	6.59 5.10 5.10	2,134 5.10 5.10	1.20 0.60 0.87	11.1 1.9 4.5	98 72 83	11.65 10.16 11.02
September	Max. Min. Avg.	354.33 11.81 12.64	14.00 10.00 12.64	8,368 2.84 342.59	2.28 2.84 2.84	706 706 2,333	0.16 0.24 0.24	17,780 6.04 2,333	3.77 6.04 4.56	214,947 72.71 15,448	56.42 72.71 4.40	3,862 72.71 4.40	1.51 1.31 1.31	15,448 1.31 1.31	6.02 5.23 5.23	2,333 5.23 5.23	1.20 0.80 0.80	11.4 4.7 4.7	98 87 87	12.64 10.46 11.42
October	Max. Min. Avg.	368.24 11.88 12.31	15.50 10.00 12.31	9,288 3.02 333.75	3.06 3.02 3.02	715 715 2,400	0.30 0.24 0.24	16,919 5.57 2,400	7.91 5.57 4.82	161,854 52.76 15,848	70.20 52.76 4.82	3,947 52.76 4.82	1.42 1.29 1.29	15,848 1.29 1.29	6.01 5.16 5.16	2,400 5.16 5.16	1.20 0.79 0.79	9.0 2.8 2.8	111 94 94	12.31 10.28 11.25
November	Max. Min. Avg.	354.42 11.81 11.65	14.00 10.00 11.65	9,464 3.01 333.75	3.01 3.20 3.02	682 682 2,133	0.15 0.24 0.24	16,607 3.17 2,133	3.17 5.67 4.30	155,883 42.57 14,942	42.57 42.57 4.30	3,366 42.57 4.30	0.99 1.14 1.14	14,942 1.14 1.14	4.30 5.05 5.05	2,133 5.05 5.05	1.20 0.73 0.73	11.0 1.0 1.0	132 84 102	12.31 10.46 11.13
December	Max. Min. Avg.	367.92 11.87 11.02	12.00 10.00 11.02	10,113 3.27 341.68	3.30 3.27 3.30	486 486 2,500	0.18 0.16 0.16	17,212 5.62 2,500	6.58 5.62 4.47	155,885 50.85 15,005	64.57 50.85 4.47	2,891 50.85 4.47	1.03 0.86 0.86	15,005 0.86 0.86	5.50 4.47 4.89	2,500 4.47 4.89	1.15 0.66 0.85	10.5 1.0 3.0	121 80 99	11.65 10.48 11.02
Total		4,227.86	11.87	113,939	3.30	12,432	0.16	207,782	5.62	2,127,184	50.85	40,058	0.94	197,737	4.89	26,433				3,996.62
General	Max. Min. Avg.	369.51 323.58 352.32	15.50 10.00 11.58	12,334 6,853 9,495	4.55 2.13 3.23	1,652 496 1,036	0.76 0.11 0.35	20,073 14,847 17,315	10.55 2.51 5.89	242,969 138,171 177,265	117.15 29.98 60.33	3,947 2,593 3,342	1.51 0.86 1.14	23,046 13,577 16,478	8.60 4.17 5.61	2,533 1,933 2,203	1.20 0.49 0.75	11.4 0.4 2.7	138 50 89	13.33 8.86 10.95

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-A

## MONTHLY SUMMARY OF CARROLLTON WATER PURIFICATION PLANT FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2012

1	2	3		4		5		6		7		8		9		10		11	
		Total Million Gallons Water Filtered During Month		Total Number of Runs		Length of Runs in Hours		Million Gallons of Water Filtered Per Run		Million Gallons Per Day Per Filter		Total Amount in Million Gallons of Wash Water Used		Million Gallons of Wash Water Used Per Run		Percentage of Wash Water Used Per Run		Million Gallons Filtered Per Acre Per Day	
		Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old	New
January	Max.	1,749.975	2,495.133	93	78	175	192	21,875	45,059	2,704	5,308	34,700	60,100	0.373	0.771	2.71	18.20	82.317	88.079
	Min.					143	19	13,780	4,233							1.71	1.71	1.71	
	Avg.					167	145	18,817	31,989							1.98	2.41		
February	Max.	1,705.627	2,258.929	88	70	191	202	22,542	46,654	2,791	2,082	28,200	56,700	0.320	0.810	2.69	17.53	84.330	
	Min.					143	23	11,917	4,621							1.42	1.74		
	Avg.					167	152	19,382	32,270							1.65	2.51		
March	Max.	1,809.471	2,509.774	92	58	169	171	24,125	41,820	2,828	5,090	28,400	65,700	0.309	1.133	2.23	4.46	86.091	84.463
	Min.					164	119	13,834	25,425							1.28	2.71		
	Avg.					167	204	19,668	43,272							1.57	2.62		
April	Max.	1,720.064	2,387.816	89	78	170	191	21,250	43,526	2,777	5,024	28,000	66,100	0.315	0.847	2.26	14.17	84.535	83.374
	Min.					164	27	13,917	5,980							1.48	1.95		
	Avg.					167	146	19,327	30,613							1.63	2.77		
May	Max.	1,790.678	2,316.967	95	80	173	169	21,625	37,596	2,804	4,879	22,800	63,000	0.240	0.788	1.76	3.44	85.364	80.957
	Min.					80	119	13,666	22,893							1.11	2.09		
	Avg.					161	142	18,849	28,962							1.27	2.72		
June	Max.	1,586.219	2,305.225	88	78	167	165	20,875	33,750	2,590	4,761	26,400	63,100	0.300	0.809	2.16	3.33	79.008	
	Min.					167	121	13,917	24,309							1.44	2.40		
	Avg.					167	149	18,025	29,554							1.66	2.74		
July	Max.	1,791.048	2,362.418	93	80	191	158	23,875	33,553	2,770	5,066	27,900	64,400	0.300	0.805	2.50	3.13	84.064	
	Min.					162	123	12,000	25,700							1.26	2.40		
	Avg.					167	140	19,259	29,530							1.56	2.73		
August	Max.	1,860.544	2,260.147	102	74	169	191	21,250	38,914	2,736	4,899	36,900	67,000	0.362	0.905	5.87	3.52	83.282	81.297
	Min.					51	124	6,166	25,756							1.70	2.33		
	Avg.					160	150	18,241	30,543							1.98	2.96		
September	Max.	1,738.808	2,625.169	81	78	191	209	28,843	41,989							8.32	2.77	85.525	85.710
	Min.					47	139	3,917	29,755	2,810	5,165	26,400	64,200	0.326	0.823	1.13	1.96		
	Avg.					183	156	21,467	33,656							1.52	2.45		
October	Max.	1,950.962	2,608.129	102	74	190	192	24,408	45,188	2,747	5,332	30,600	58,800	0.300	0.795	2.17	2.83	83.620	88.476
	Min.					143	137	13,834	28,084							1.23	1.76		
	Avg.					167	159	19,127	35,245							1.57	2.25		
November	Max.	1,763.539	2,520.885	87	64	212	217	25,841	49,013	2,745	5,479	27,900	44,900	0.321	0.702	2.35	5.29	83.552	90.922
	Min.					163	60	13,667	13,264							1.24	1.43		
	Avg.					177	173	20,271	39,289							1.58	1.78		
December	Max.	1,761.910	2,631.978	92	82	191	192	27,841	44,175	2,801	5,228	28,800	48,140	0.313	0.587	2.63	4.37	85.249	86.757
	Min.					140	64	11,917	13,434							1.12	1.33		
	Avg.					164	147	19,151	32,097							1.63	1.83		
Total		21,228.845	29,282.570	1,102	894	5,770	5,187	658,466	1,121,711	33,103	58,313	347,000	722,140	3,779	9,775	73.37	136.62	1,007.664	1,017.437
General	Max.	1,950.962	2,631.978	102	82	212	217	28,843	49,013	2,828	5,479	36,900	67,000	0.373	1.133	8.32	18.20	86.091	90.922
	Min.	1,586.219	2,258.929	81	58	47	19	3,917	4,233	2,590	2,082	22,800	44,900	0.240	0.587	1.11	1.33	78.853	79.008
	Avg.	1,769.070	2,440.214	92	75	168	155	19,299	33,085	2,759	4,859	28,917	60,178	0.315	0.815	1.63	2.48	83.972	84.786

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

TABLE VI-B

## MONTHLY SUMMARY OF ALGIERS FILTER OPERATIONS FOR THE YEAR ENDING: December 31, 2012

1 Month	2	3 Total Million Gallons Water Filtered During Month of Runs	4 Total Number of Runs	5 Length of Runs in Hours	6 Million Gallons of Water Filtered Per Run	7 Million Gallons Per Day Per Filter	8 Total Amount in Million Gallons of Wash Water Used	9 Million Gallons of Wash Water Used Per Run	10 Percentage of Wash Water Used Per Run
January	Max. Min. Avg.	357.97	54	171 164 167	7,126,000.000 5,939,000.000 6,722,833.000	966,156.00	7.01	129,722.000	2.18 1.82 1.93
February	Max. Min. Avg.	321.73	55	170 55 154	7,084,000.000 2,292,000.000 5,986,745.000	932,999.00	6.68	121,364.000	5.30 1.71 2.03
March	Max. Min. Avg.	334.96	51	171 165 167	7,000,000.000 4,209,000.000 6,391,686.000	918,566.00	6.23	122,157.000	2.90 1.75 1.91
April	Max. Min. Avg.	331.78	52	171 48 164	7,125,000.000 2,958,000.000 6,244,980.000	913,900.00	6.37	122,403.000	4.13 1.72 1.96
May	Max. Min. Avg.	352.90	57	193 144 167	8,041,000.000 4,647,000.000 6,594,736.000	947,746.00	7.86	137,807.000	2.97 1.71 2.09
June	Max. Min. Avg.	347.91	48	191 141 167	7,958,000.000 5,875,000.000 6,722,895.000	966,165.00	6.28	130,729.000	2.23 1.64 1.94
July	Max. Min. Avg.	366.95	54	171 164 167	7,793,000.000 5,562,000.000 6,909,370.000	992,963.00	7.29	134,907.000	2.43 1.73 1.95
August	Max. Min. Avg.	351.87	54	192 166 170	8,000,000.000 5,396,000.000 7,389,611.000	1,043,239.00	6.77	125,370.000	2.32 1.57 1.70
September	Max. Min. Avg.	352.30	48	216 143 170	9,000,000.000 5,101,500.000 6,958,917.000	982,435.00	7.70	160,416.000	3.14 1.78 2.31
October	Max. Min. Avg.	359.79	52	193 164 169	8,229,000.000 5,583,000.000 6,918,846.000	982,558.00	9.92	190,769.000	3.42 2.32 2.76
November	Max. Min. Avg.	364.14	54	193 141 165	8,229,000.000 5,604,000.000 6,743,370.000	980,854.00	10.15	187,963.000	3.35 2.28 2.79
December	Max. Min. Avg.								
Total		3842.30	579		212,335,489.000				77.77
General	Max. Min. Avg.			18 4 13	750000.000 191000.000 535673.358	80,511.98	0.63		0.44 0.13 0.20



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE VII**  
As of December 31, 2012

## FIVE YEAR ANALYSIS COMPOSITE DATA (2008 - 2012) FOR NEW ORLEANS DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	212	78	126	227	78	136
Total Hardness (ppm as CaCO <sub>3</sub> )	250	110	164	270	122	185
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	105	0	39	120	0	49
Calcium Hardness (ppm as CaCO <sub>3</sub> )	187	70	114	204	75	134
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	104	0	51	164	2	51
Nephelometric Turbidity (NTU)	320	4.6	59	0.26	0.06	0.13
pH	8.47	7.11	7.84	9.53	7.22	8.84
Chloride (ppm)	73	10	36	70	14	39
Fluoride (ppm)	0.65	0.08	0.27	1.25	0.18	0.79
Total Dissolved Solids (ppm)	490	88	264	526	114	249
Total Suspended Solids (ppm)	215	7	75	-----	-----	-----
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.8	0.0	0.3
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	5.7	0.0	3.1
Ammonia (ppm as N)	-----	-----	-----	0.73	0.00	0.14
Nitrate + Nitrite (ppm as N) *	-----	-----	-----	2	1	1.6
Sulfate (ppm) *	-----	-----	-----	69	0	41
Conductivity (uS/cm)	610	179	379	650	185	426
Temperature (°F)	90	37	66	90	41	73
Aluminum (ppm) *	-----	-----	-----	0.08	0.00	0.02
Antimony (ppm) *	-----	-----	-----	0.002	0.000	0.000
Arsenic (ppm) *	-----	-----	-----	0.001	0.000	0.001
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.9	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.02	0.00	0.10
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Mercury (ppm) *	-----	-----	-----	0.000	0.000	0.000
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	8.8	3.0	5.4
Sodium (ppm) *	-----	-----	-----	41.8	17.0	26.4
Cyanide (ppb) *	-----	-----	-----	0.0	0.0	0.0
Haloacetic Acids (HAA5) (ppb)	-----	-----	-----	28.0	0.0	17.7
Total Organic Carbon (ppm)	4.7	2.9	3.9	4.1	1.9	3.0
Total Trihalomethanes (ppb)	1.8	0.0	0.0	43.6	6.8	24.5
1, 2-Dichloroethane (ppb)	0.2	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	1.8	0.0	0.0	32.1	5.2	16.1
Carbon Tetrachloride (ppb)	0.1	0.0	0.0	2.1	0.0	0.0
Bromodichloromethane (ppb)	0.2	0.0	0.0	13.2	0.0	6.7
Tetrachloroethene (ppb)	0.1	0.0	0.0	0.1	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.6	0.0	0.0	1.8	0.0	0.0
Total Coliforms (CFUs/100 ml)	10400	44	870	36	0	0
Fecal Coliforms (CFUs/100 ml)	3000	0	91	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals. Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory. All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper results are from 2008 and 2010; testing is only required triennially.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by DHH to be classified as a "DHH-OPH Certified Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by DHH for Total Coliform and Fecal Coliform testing.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE VIII**  
As of December 31, 2012

## CARROLLTON OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$750,084.11	\$14.93
Ferric Coagulant	\$1,261,079.63	\$25.10
Chlorine	\$938,650.67	\$18.68
Sodium Polyphosphate	\$108,178.01	\$2.15
Polyelectrolyte	\$569,596.51	\$11.34
Fluoride	\$151,990.59	\$3.03
Ammonia	\$240,754.89	\$4.79
Carbon	\$0.00	\$0.00
<b>TOTAL CHEMICALS</b>	<b>\$4,020,334.40</b>	<b>\$80.02</b>

Purification Plant Operating Cost:

Total Water Treated in 2012:

50,240,700,000 Gallons

## TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2012	50,240.70	\$8,294,045.00	\$165.09
2011	50,870.78	\$7,342,571.00	\$144.34
2010	50,040.84	\$7,868,284.00	\$157.24
2009	50,515.38	\$7,672,872.00	\$151.89
2008	48,867.31	\$8,283,745.00	\$169.52

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE IX**  
As of December 31, 2012

## ALGIERS OPERATION

CHEMICAL	CHEMICAL COST	CHEMICAL COST PER MILLION GALLONS
Lime	\$187,715.02	\$44.40
Ferric Coagulant	\$129,863.75	\$30.72
Sodium Hypochlorite	\$98,030.50	\$23.19
Sodium Polyphosphate	\$28,758.63	\$6.80
Polyelectrolyte	\$36,232.60	\$8.57
Fluoride (100%)	\$16,188.92	\$3.83
Ammonia	\$24,459.78	\$5.79
Carbon		\$0.00
<b>TOTAL CHEMICALS</b>	<b>\$521,249.21</b>	<b>\$123.29</b>

Purification Plant Operating Cost:  
Total Water Treated in 2012:

4,227,860,000 Gallons

## TOTAL COST PER MILLION GALLONS

YEAR	TOTAL WATER TREATED IN MILLION GALLONS	OPERATING COST	TOTAL COST PER MILLION GALLONS
2012	4,227.86	\$2,061,032.00	\$487.49
2011	4,280.60	\$1,834,511.00	\$428.56
2010	4,105.81	\$1,995,926.00	\$486.12
2009	3,935.84	\$1,894,092.00	\$481.24
2008	3,788.95	\$2,029,729.00	\$535.70
2007	4,427.16	\$1,700,033.00	\$384.00

## SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE X**  
**As of December 31, 2012**

**SLUDGE REMOVED FROM THE "G" BASINS PRIMARY TREATMENT UNITS  
DOOR MONORAKE CONVENTIONAL SYSTEM  
2012**

Total Million Gallons Water Treated	32,126.33
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	4,270
Total Million Gallons Wet Sludge Withdrawn from Basins	187.95
Average Percent solids in Wet Sludge	0.54
Total Million Gallons Water Used in withdrawing Sludge	187.52
Percent of Total Water Treated Used in Withdrawing Wet Sludge	0.59

**TABLE X-A**

**SLUDGE REMOVED FROM THE "L" BASINS PRIMARY TREATMENT UNITS  
DOOR MONORAKE CONVENTIONAL SYSTEM  
2012**

Total Million Gallons Water Treated	18,062.21
Total Tons Dry Sludge Deposited in Basins Including suspended and Dissolved Solids Removed and Reacting Chemicals	2,434
Total Million Gallons Wet Sludge Withdrawn from Basins	315.89
Average Percent solids in Wet Sludge	0.18
Total Million Gallons Water Used in withdrawing Sludge	315.65
Percent of Total Water Treated Used in Withdrawing Wet Sludge	1.75

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE XI**  
**As of December 31, 2012**

## 2012 ANALYSIS DATA FOR NEW ORLEANS DRINKING WATER PURIFICATION SYSTEM

PARAMETER	MISSISSIPPI RIVER (Before Purification)			FINISHED WATER (After Purification)		
	MAX	MIN	AVG	MAX	MIN	AVG
Total Alkalinity (ppm as CaCO <sub>3</sub> )	154	81	122	170	96	133
Total Hardness (ppm as CaCO <sub>3</sub> )	214	115	164	233	140	188
Noncarbonate Hardness (ppm as CaCO <sub>3</sub> )	104	19	43	95	8	56
Calcium Hardness (ppm as CaCO <sub>3</sub> )	165	80	109	165	90	133
Magnesium Hardness (ppm as CaCO <sub>3</sub> )	100	10	55	111	6	55
Nephelometric Turbidity (NTU)	159	5	34	0.21	0.07	0.12
pH	8.47	7.11	7.87	9.22	8.19	8.86
Chloride (ppm)	63	23	37	65	27	42
Fluoride (ppm)	0.65	0.08	0.37	1.06	0.54	0.78
Total Dissolved Solids (ppm)	445	200	302	526	215	333
Total Suspended Solids (ppm)	95	9	37	-----	-----	-----
Free Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	0.6	0.0	0.2
Total Chlorine Residual (ppm as Cl <sub>2</sub> )	-----	-----	-----	4.1	0.2	2.9
Ammonia (ppm as N)	-----	-----	-----	0.61	0.03	0.16
Nitrate (ppm as N) *	-----	-----	-----	1	1	1
Sulfate (ppm) *	-----	-----	-----	69	57	63
Conductivity (µS/cm)	608	304	462	645	377	511
Temperature (°F)	89	46	68	89	51	73
Aluminum (ppm) *	-----	-----	-----	0.01	0.01	0.01
Antimony (ppm) *	-----	-----	-----	0.002	0.002	0.002
Arsenic (ppm) *	-----	-----	-----	0.001	0.001	0.001
Barium (ppm) *	-----	-----	-----	0	0	0
Beryllium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Cadmium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Chromium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Copper (ppm) *	-----	-----	-----	0.3	0.0	0.1
Iron (ppm) *	-----	-----	-----	0.00	0.00	0.00
Lead (ppm) *	-----	-----	-----	0.033	0.000	0.005
Manganese (ppm) *	-----	-----	-----	0.00	0.00	0.00
Nickel (ppm) *	-----	-----	-----	0.0	0.0	0.0
Selenium (ppm) *	-----	-----	-----	0.00	0.00	0.00
Silver (ppm) *	-----	-----	-----	0.00	0.00	0.00
Thallium (ppm) *	-----	-----	-----	0.000	0.000	0.000
Zinc (ppm) *	-----	-----	-----	0	0	0
Potassium (ppm) *	-----	-----	-----	3.1	3.0	3.1
Sodium (ppm) *	-----	-----	-----	25.8	23.5	24.7
Cyanide (ppb) *	-----	-----	-----	0.0	0.0	0.0
Haloacetic Acids (HAA5) (ppb)	-----	-----	-----	25.2	8.6	15.2
Total Organic Carbon (ppm)	4.7	2.9	3.7	3.7	1.9	2.8
Total Trihalomethanes (ppb)	0.0	0.0	0.0	42.0	6.8	21.3
1, 2-Dichloroethane (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Chloroform (ppb)	0.0	0.0	0.0	24.8	6.1	12.3
Carbon Tetrachloride (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Bromodichloromethane (ppb)	0.0	0.0	0.0	13.2	0.0	6.8
Tetrachloroethene (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
BTX (Benzene, Toluene & Xylenes) (ppb)	0.0	0.0	0.0	0.0	0.0	0.0
Total Coliforms (CFUs/100 ml)	3400	67	740	4	0	0
Fecal Coliforms (CFUs/100 ml)	310	0	69	0	0	0

The results for constituents indicated with asterisks are from the Louisiana Department of Health and Hospitals.

Total Organic Carbon and Haloacetic Acid results are from a DHH certified contract laboratory.

All other results are from testing by the S&WB Water Quality Laboratory.

Lead and Copper testing is performed triennially. These results are from 2010.

Concerning the chemical results, the S&WB Laboratory does not meet the higher criteria required by DHH to be classified as a "DHH-OPH Certified Chemical Laboratory/Drinking Water;" therefore, any results reported by this laboratory for chemical drinking water parameters which are required to be analyzed in a certified laboratory are officially deemed invalid.

The S&WB Laboratory is certified by DHH for Total Coliform and Fecal Coliform testing.

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## TABLE XII

### EXTRACTS FROM TABLES IV-E AND V

As of December 31, 2012

20 Year Period, 1993 to 2012 Inclusive  
Maximum, Minimum, and Average Amount of  
Water Treated Per Day  
(M.G. per 24 Hours)

YEAR	CARROLLTON			ALGIERS		
	MAX.	MIN.	AVG.	MAX.	MIN.	AVG.
1993	140.38	103.25	117.41	15.42	7.62	10.18
1994	128.88	103.88	113.71	17.00	8.00	11.47
1995	142.83	104.67	121.40	18.14	9.00	11.55
1996	198.42	91.59	128.97	18.27	9.00	11.47
1997	156.53	112.70	128.73	18.83	9.58	12.06
1998	152.96	98.48	126.86	22.96	12.00	12.36
1999	168.25	122.55	140.26	22.00	8.90	15.19
2000	152.50	126.71	128.10	18.83	7.58	12.13
2001	153.93	107.75	126.70	15.76	6.00	10.90
2002	128.67	87.00	106.63	14.00	6.66	9.80
2003	144.26	90.75	115.35	13.16	8.00	10.06
2004	145.83	102.92	122.57	13.16	8.00	10.15
2005	144.00	0.00	115.47	22.67	7.00	10.20
2006	165.63	115.33	139.73	18.34	8.00	11.67
2007	144.75	124.00	134.06	16.00	10.00	12.13
2008	143.50	114.08	133.88	13.58	6.92	10.38
2009	147.92	129.83	138.17	14.00	8.00	10.78
2010	156.50	125.33	137.10	15.67	8.00	11.25
2011	150.83	127.17	139.37	16.83	10.00	11.73
2012	163.29	117.96	137.65	15.50	10.00	11.58

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## TABLE XIII

December 31, 2012

Monthly Temperature (Degrees Farenheit) of the  
Mississippi River Water at the Carrollton Plant

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
January	48	49	49	50	52	50	50	41	43	48
February	48	47	48	51	47	53	46	41	43	48
March	51	54	51	55	56	55	51	48	51	57
April	60	62	62	63	63	63	58	62	61	69
May	70	71	71	74	71	68	69	71	68	74
June	73	79	81	83	79	77	79	81	80	81
July	79	83	85	86	82	80	85	85	84	85
August	81	84	88	88	85	82	84	86	87	87
September	80	81	*	86	82	78	81	83	80	82
October	73	74	76	78	75	71	70	72	72	72
November	65	65	66	63	63	63	59	61	62	60
December	53	53	51	54	58	55	49	50	50	55
Maximum	83	87	90	90	89	85	86	89	90	89
Minimum	46	45	42	46	40	42	42	37	40	46
Average	64	67	66	69	68	66	65	65	65	68

Ten Year Period	
Maximum:	90
Minimum:	37
Average:	66

\* Data not available for September 2005 due to hurricane Katrina.



# SEWERAGE AND WATER BOARD OF NEW ORLEANS

**TABLE XIV**  
**December 21, 2012**

**Monthly Temperature (Degrees Farenheit) of the  
Tap Water at the Carrollton Plant**

	2008	2009	2010	2011	2012
January	67	66	61	61	64
February	69	65	61	60	65
March	71	68	66	67	69
April	72	70	70	71	74
May	76	74	76	73	77
June	81	78	80	79	82
July	83	80	82	82	84
August	80	78	84	85	79
September	80	77	80	80	78
October	78	74	75	76	73
November	72	69	66	69	69
December	68	65	60	63	68
Maxiumum	86	88	88	90	89
Minimum	59	51	41	44	51
Average	75	72	72	72	73

Five Year Period	
Maximum:	90
Minimum:	41
Average:	73

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## New Orleans West Bank Sewerage Treatment Plant 2012 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012
Plant Eff Flow (MGD)													
Average	7.215	9.754	10.332	11.084	6.916	8.399	12.107	14.10	8.972	7.398	7.441	7.33	9.25
Maximum	11.180	20.196	32.331	26.955	9.253	20.223	35.175	30.056	16.28	14.879	11.05	9.61	35.18
INFLUENT BOD (mg/L)													
Average	148.8	113	112.8	98	119.7	96.8	84.2	62.8	89.7	97.3	98	105	102.18
Maximum	240	193	261	299	191	210	222	113	227	137	145	154	239
INFLUENT TSS (mg/L)													
Average	153.5	120	124.1	95.8	147.7	128.3	75.3	70.6	81.1	75.6	87.7	86.1	103.82
Maximum	468	216	344	216	376	360	376	166	362	148	188	168	468
INFLUENT BOD (lbs/day)													
Average	9,076	8,737	8,574	7,830	6,553	6,090	6,808	7,078	6,322	5,843	6,154	6,487	7,129
Maximum	20,591	13,880	21,700	23,787	9,742	12,137	15,778	20,866	13,426	7,824	9,824	9,043	23,787
INFLUENT TSS (lbs/day)													
Average	9,593	9,433	10,680	7,847	8,215	9,293	6,288	8,133	5,972	4,616	5,613	5,303	7,582
Maximum	40,151	18,970	52,415	16,866	25,024	40,422	22,192	19,151	27,235	8,453	14,601	9,865	52,415
EFFLUENT BOD (mg/L)													
Average	11.3	13.5	14.2	12.8	11.3	8.6	5.7	7.1	6.8	7.1	8.6	10.4	9.78
Weekly Maximum	13	15	18	17	15	10	8	9	8	8	10	12	18
EFFLUENT TSS (mg/L)													
Average	8	8.2	7.5	8.4	7	8.8	8	8.6	10.3	7.3	4.7	9.2	8.00
Weekly Maximum	10	9	8	11	8	13	9	9	14	10	6	10	14
EFFLUENT BOD (lbs/day)													
Average	691	1,087	1,153	1,191	651	652	501	882	509	458	549	640	747.00
Weekly Maximum	819	1,406	2,432	2,570	930	834	1,202	1,324	687	673	713	786	2,570
EFFLUENT TSS (lbs/day)													
Average	490	672	647	823	405	679	725	1,051	849	483	296	565	640.49
Weekly Maximum	630	844	1,081	1,663	496	1,084	1,352	1,324	1,202	841	428	655	1,663
EFFLUENT CL2 (mg/L)													
Average	1.22	1.2	1.2	1.16	1.24	1.2	1.09	0.96	1.1	1.18	1.27	1.22	1.17
Maximum	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.35	1.4	1.4	1.4	1.4	1.40
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	2	2	3	5	6	4	9	5	2	9	2	2	4.25
Weekly Maximum (Geo)	2	6	10	24	100	30	94	18	8	142	10	10	142.00
EFFLUENT pH (su)													
Minimum	7.09	7.28	7.24	7.29	7.04	7.10	7.22	7.31	7.15	7.02	7.14	7.14	7.02
Maximum	7.34	7.53	7.54	7.69	7.18	7.35	7.55	7.74	7.6	7.42	7.52	7.39	7.74
DISPOSED SLUDGE (dry tons)													
Average per day	4.6	4.7	4.7	5.34	3.81	4.08	5.38	4.65	5.11	4.34	5.24	5.21	5
Total	95.54	93.13	89.56	112.1	80.02	81.65	91.50	88.35	76.63	95.55	99.62	88.52	1,092
RAINFALL (inches)													
TOTAL	2.33	4.00	7.42	7.52	2.28	6.58	15.75	0.67	1.34	1.51	2.61	0.70	52.71

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## New Orleans East Bank Sewerage Treatment Plant 2012 Yearly Summary

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2012
Plant EF Flow (MGD)													
Average	76,658	92.0	95.2	109,547	78.6	92,873	118,026	114,926	94.79	84.27	79.4	85,445	93
Maximum	122.4	158.2	191.9	187.4	105	182.1	185.4	181.9	156.4	133.2	120.8	128	192
INFLUENT BOD (mg/L)													
Average	123	120	120	77	80	74	73	54	75	86	78	84.9	87
Maximum	168	190	174	167	190	110	109	91	141	127	179	132	190
INFLUENT TSS (mg/L)													
Average	172	171	146	87	98	99	121	76	106	104	102	97.9	115
Maximum	292	290	240	138	170	200	208	124	212	214	226	174	292
INFLUENT BOD (lbs/day)													
Average	80,575	93,560	95,350	69,221	54,247	57,793	67,177	52,306	59,515	61,457	53,591	56,683	66,790
Maximum	149,462	176,300	176,147	139,157	149,428	98,962	109,575	120,363	111,996	102,794	145,384	96,660	176,300
INFLUENT TSS (lbs/day)													
Average	113,915	136,020	118,062	80,884	64,934	78,344	112,273	73,479	87,620	73,881	69,648	65,128	89,516
Maximum	308,582	270,750	267,373	154,488	140,187	192,751	177,484	178,313	237,969	197,166	216,044	161,609	308,662
EFFLUENT BOD (mg/L)													
Average	20.2	24.9	26.1	23	29.4	23.4	17.5	19.9	17.9	18	16.9	23.9	21.8
Weekly Maximum	24	27	30	26	31	30	21	24	21	19	21	31	31.0
EFFLUENT TSS (mg/L)													
Average	8.6	15.7	17.5	18.1	10.2	14.4	15.1	15.6	14	8.6	11.4	12.7	13.5
Weekly Maximum	10	25	27	32	13	18	22	18	19	10	13	20	32.0
EFFLUENT BOD (lbs/day)													
Average	13,060	19,352	21,015	20,678	19,139	18,248	16,882	20,256	14,096	12,530	11,298	17,217	15,981
Weekly Maximum	16,379	23,268	31,554	31,798	21,496	32,026	25,608	26,495	17,371	17,259	15,445	24,883	32,026
EFFLUENT TSS (lbs/day)													
Average	5,572	12,696	15,097	17,900	6,818	11,942	16,008	16,301	11,151	6,094	7,727	9,125	11,369
Weekly Maximum	6,824	21,544	28,398	39,136	9,014	19,216	26,827	19,872	15,717	9,083	9,561	16,053	39,136
EFFLUENT CL2 (mg/L)													
Average	0.48	0.47	0.46	0.48	0.48	0.46	0.46	0.48	0.47	0.49	0.49	0.49	0.48
Maximum	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.50
EFFLUENT COLIFORM (col/100-ml)													
Average (Geo)	3	3	7	5	5	21	6	4	24	10	3	3	8
Weekly Maximum (Geo)	20	10	23	22	36	101	40	27	570	235	10	12	570
EFFLUENT pH (su)													
Minimum	6.57	6.64	6.73	6.67	6.74	6.8	6.68	6.74	6.8	6.83	6.79	6.83	6.79
Maximum	6.81	6.97	7.04	6.87	6.91	6.94	6.79	6.85	6.92	7.03	7.01	6.93	6.79
DISPOSED SLUDGE (dry tons)													
Average per day	20.2	18.0	24.7	29.3	29.7	18.6	21.2	18.8	14.3	27.5	24.1	18.0	22.03
Total	625.51	522.0	767.1	879.2	919.9	556.7	658.2	581.3	427.5	851.8	722.6	557.1	8,069
RAINFALL (inches)													
TOTAL	1.91	4.48	6.62	11.11	3.69	4.42	14.8	17.12	4.57	0.25	1.83	4.91	75.69

**SEWERAGE AND WATER BOARD OF NEW ORLEANS**  
**ANNUAL REPORT 2012 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2012**  
**SEWER TABULATION NUMBER 1**  
**SEWER LINES AND MANHOLES IN THE SYSTEM AS OF DECEMBER 31, 2012**

**SEWER LINES DISCARDED AND INSTALLED IN 2012**

<b>ORIGINAL CONSTRUCTION (FEET)</b>	<b>DESTROYED OR ABANDONED IN 2012 (FEET)</b>	<b>BUILT IN 2012 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2012 (FEET)</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2012 (MILES)</b>
8,021,533.6	79,198.0	81,635.6	8,023,971.2	1,519.692

**SEWER MANHOLES REMOVED AND INSTALLED IN 2012**

<b>ORIGINAL CONSTRUCTION</b>	<b>REMOVED IN 2012</b>	<b>BUILT IN 2012</b>	<b>REMAINING IN THE SYSTEM AS OF 12/31/2012</b>
22,977	4	10	22,983

**DETAILS OF SEWER LINES AND SEWER MANHOLES INSTALLED (CONSTRUCTED) IN 2012**

<b>ITEMS</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL FEET</b>	<b>TOTAL MILES</b>
6" P.V.C.	13,396.8	1,111.0	14,507.8	2.748
8" DUCTILE IRON	0.0	16.0	16.0	0.003
8" P.V.C.	61,842.6	823.6	62,666.2	11.869
10" P.V.C.	1,618.0	340.0	1,958.0	0.371
12" P.V.C.	873.0	0.0	873.0	0.165
15" P.V.C.	581.0	0.0	581.0	0.110
18" P.V.C.	556.0	0.0	556.0	0.105
21" P.V.C.	321.6	0.0	321.6	0.061
24" P.V.C.	0.0	147.0	147.0	0.028
27" P.V.C.	9.0	0.0	9.0	0.002
<b>TOTAL SEWER LINES CONSTRUCTED IN 2012</b>	<b>79,198.0</b>	<b>2,437.6</b>	<b>81,635.6</b>	<b>15.461</b>
<b>SEWER MANHOLES CONSTRUCTED IN 2012</b>	<b>BOARD FUNDED</b>	<b>BY OTHERS</b>	<b>TOTAL MANHOLES BUILT IN 2012</b>	
	8	2	10	

SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANNUAL REPORT 2012 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2012  
SEWER TABULATION NUMBER 2  
LENGTH OF SEWER LINES OF EACH SIZE AND MATERIAL DISCARDED, BUILT, AND NOW REMAINING IN THE SYSTEM

SIZE & MATERIAL OF SEWER	TOTAL LENGTH IN SYSTEM AS OF 12/31/2011	DESTROYED OR ABANDONED IN 2012	BUILT IN 2012	NOW REMAINING IN THE SYSTEM AS OF 12/31/2012
72" Steel	29,182.4			29,182.4
68" Steel	9,061.9			9,061.9
66" Steel	28,979.7			28,979.7
66" Concrete	13,740.7			13,740.7
60" Steel	2,577.7			2,577.7
60" Concrete	722.8			722.8
57" Concrete	1,766.8			1,766.8
54" Steel	44,014.5			44,014.5
54" Concrete	7,030.4			7,030.4
51" Concrete	755.9			755.9
50" Steel	135.0			135.0
48" Steel	21,147.2			21,147.2
48" Concrete	10,127.6			10,127.6
48" Fiberglass Reinforced	10,900.2			10,900.2
48" P.V.C.	3,663.4			3,663.4
45" Concrete	3,048.4			3,048.4
42" Steel	3,580.2			3,580.2
42" Concrete	19,121.2			19,121.2
39" Brick	832.8			832.8
39" Concrete	4,410.6			4,410.6
36" Vitrified Clay	2,239.1			2,239.1
36" Cast Iron	431.0			431.0
36" Steel	562.6			562.6
36" Prestressed Concrete	11,273.0			11,273.0
36" Reinforced Concrete	9,392.7			9,392.7
36" P.V.C.	10,950.0			10,950.0
33" Brick	3,150.4			3,150.4
33" Vitrified Clay	562.3			562.3
33" Reinforced Concrete	1,381.4			1,381.4
30" Brick	2,763.0			2,763.0
30" Vitrified Clay	11,732.2			11,732.2
30" Cast Iron	4,305.9			4,305.9
30" Steel	3,535.2			3,535.2
30" Prestressed Concrete	484.0			484.0
30" Reinforced Concrete	33,920.5			33,920.5
30" Fiberglass Reinforced	16,400.0			16,400.0
30" P.V.C.	996.0			996.0
27" Vitrified Clay	24,449.4	9.0		24,440.4
27" Reinforced Concrete	13,390.4			13,390.4
27" P.V.C.	3,177.0		9.0	3,186.0
24" Vitrified Clay	31,572.2			31,572.2
24" Cast Iron	16,269.2			16,269.2
24" Ductile Iron	619.0			619.0
24" Steel				87.0
24" Reinforced Concrete				26,569.0
24" Asbestos Cement				4,924.2
24" P.V.C.				5,917.6
21" Reinforced Concrete				11,238.1
21" P.V.C.				5,120.0
20" Ductile Iron Pipe				2,135.2
18" P.V.C.				18,445.8
16" Steel				120.0
16" Asbestos Cement				28,460.9
16" P.V.C.				2,747.2
15" Vitrified Clay				100,481.9
15" P.V.C.				12,838.9
15" Plastic Truss				1,766.8
12" Vitrified Clay				110,055.1
12" P.V.C.				65,447.9
10" Vitrified Clay				164,091.0
10" Steel				130.0
10" Concrete				51,280.3
10" Asbestos Cement				4,356.2
10" P.V.C.				1,958.0
10" Plastic Truss				4,983.5
8" Terra Cotta				325,008.6
8" Vitrified Clay				4,240,227.1
8" Cast Iron				32,210.2
8" Ductile Iron				764.7
8" Concrete				276,967.0
8" Asbestos Cement				3,887.9
8" P.V.C.				62,666.2
8" Plastic Truss				68,138.5
8" Plastic				699,851.9
6" Terra Cotta				933.5
6" Vitrified Clay				83,813.5
6" Cast Iron				4,204.4
6" Asbestos Cement				4,493.9
6" P.V.C.				243,851.2
6" Plastic Truss				5,252.3
6" Plastic				364,876.3
4" Cast Iron				874.2
4" Ductile Iron				180.4
4" P.V.C.				6,836.9
4" Plastic				126.0
Total Linear Feet	8,021,533.6	79,198.0	81,635.6	8,023,971.2
Total Miles	1,519.230	15.000	15.461	1,519.692



SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANNUAL REPORT 2012 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2012  
WATER TABULATION NUMBER 1  
WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS IN THE SYSTEM AS OF DECEMBER 31, 2012

**WATER LINES DISCARDED AND INSTALLED IN 2012**

ORIGINAL CONSTRUCTION (FEET)	DESTROYED OR ABANDONED IN 2012 (FEET)	BUILT IN 2012 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2012 (FEET)	REMAINING IN THE SYSTEM AS OF 12/31/2012 (MILES)
8,431,258.8	9,978.4	20,831.8	8,442,112.2	1,598.885

**WATER MANHOLES REMOVED AND INSTALLED IN 2012**

ORIGINAL CONSTRUCTION	REMOVED IN 2012	BUILT IN 2012	REMAINING IN THE SYSTEM AS OF 12/31/2012
30,150	12	56	30,194

**WATER VALVES REMOVED AND INSTALLED IN 2012**

ORIGINAL CONSTRUCTION	REMOVED IN 2012	INSTALLED IN 2012	REMAINING IN THE SYSTEM AS OF 12/31/2012
29,472	24	73	29,521

**FIRE HYDRANTS REMOVED AND INSTALLED IN 2012**

ORIGINAL CONSTRUCTION	REMOVED IN 2012	INSTALLED IN 2012	REMAINING IN THE SYSTEM AS OF 12/31/2012
23,045	24	57	23,078

**DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2012**

DETAILS OF WATER LINES, MANHOLES, VALVES, AND FIRE HYDRANTS INSTALLED (CONSTRUCTED) IN 2012				
ITEMS	BOARD FUNDED	BY OTHERS	TOTAL FEET	TOTAL MILES
2" P.V.C.	64.0	404.0	468.0	0.089
4" DUCTILE IRON	24.0	53.0	77.0	0.015
4" P.V.C.	2,528.1	172.4	2,700.5	0.511
6" DUCTILE IRON	12.8	42.8	55.6	0.011
6" P.V.C.	60.3	350.8	411.1	0.078
8" DUCTILE IRON	1,011.0	589.8	1,600.8	0.303
8" P.V.C.	7,409.0	3,473.5	10,882.5	2.061
12" DUCTILE IRON	203.0	583.5	786.5	0.149
12" P.V.C.	1,759.8	308.0	2,067.8	0.392
20" DUCTILE IRON	0.0	663.0	663.0	0.126
30" P.V.C.	0.0	1,119.0	1,119.0	0.212
TOTAL WATER LINES CONSTRUCTED IN 2012	13,072.0	7,759.8	20,831.8	3.945
WATER MANHOLES CONSTRUCTED IN 2012	BOARD FUNDED	BY OTHERS	TOTAL MANHOLES BUILT IN 2012	
	36	20	56	
WATER VALVES INSTALLED IN 2012	BOARD FUNDED	BY OTHERS	TOTAL WATER VALVES INSTALLED IN 2012	
	52	21	73	
FIRE HYDRANTS INSTALLED IN 2012	BOARD FUNDED	BY OTHERS	TOTAL FIRE HYDRANTS INSTALLED IN 2012	
	24	33	57	



SEWERAGE AND WATER BOARD OF NEW ORLEANS  
ANNUAL REPORT 2012 - FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2012

WATER TABULATION NUMBER 2

LENGTH OF WATER LINES OF EACH SIZE AND MATERIAL, NUMBER OF VALVES OF EACH SIZE, BOTH GATE AND CHECK,  
ORIGINALLY INSTALLED, THE QUANTITIES DISCARDED OR BUILT, AND THE QUANTITIES NOW REMAINING IN THE DISTRIBUTION SYSTEM

WATER LINES				
SIZE	MATERIAL	TOTAL LENGTH IN SYSTEM AS OF 12/31/2011	DESTROYED OR ABANDONED IN 2012	NOW REMAINING IN THE SYSTEM AS OF 12/31/2012
54"	Concrete Pipe	7,535.1		7,535.1
50"	Steel Pipe	88,484.8		88,484.8
48"	Cast Iron Pipe	12,759.3		12,759.3
48"	Steel Pipe	36,835.1		36,835.1
48"	Concrete Pipe	4,982.9		4,982.9
43"	Cast Iron Pipe	11,170.1		11,170.1
42"	Cast Iron Pipe	4,349.6		4,349.6
42"	Concrete Pipe	9,361.9		9,361.9
36"	Cast Iron Pipe	4,523.3		4,523.3
36"	Steel Pipe	16,761.2		16,761.2
36"	Concrete Pipe	37,374.7		37,374.7
36"	Prestressed Concrete	675.0		675.0
30"	Cast Iron Pipe	60,840.1	1,100.0	59,740.1
30"	Ductile Iron Pipe	35.0		35.0
30"	Steel Pipe	19,863.1		19,863.1
30"	Concrete Pipe	72,724.2		72,724.2
30"	Prestressed Concrete	36,654.4		36,654.4
30"	Reinforced Concrete	3,919.6		3,919.6
30"	P.V.C. Pipe	1,483.1		1,119.0
24"	Cast Iron Pipe	30,480.2		30,480.2
24"	Concrete Pipe	4,062.5		4,062.5
21"	P.V.C. Pipe	10,270.5		10,270.5
20"	Cast Iron Pipe	91,999.1	650.0	91,349.1
20"	Ductile Iron Pipe	13,212.1		663.0
20"	Concrete Pipe	18,755.8		18,755.8
20"	Prestressed Concrete	212.5		212.5
20"	Asbestos Cement	12,688.0		12,688.0
18"	Reinforced Concrete	970.5		970.5
16"	Cast Iron Pipe	117,482.1		117,482.1
16"	Ductile Iron Pipe	3,727.3		3,727.3
16"	Concrete Pipe	5,681.6		5,681.6
16"	Asbestos Cement	66,344.2		66,344.2
16"	P.V.C. Pipe	10,577.4		10,577.4
15"	Reinforced Concrete	1,069.3		1,069.3
12"	Cast Iron Pipe	796,174.9	542.8	795,632.1
12"	Ductile Iron Pipe	17,674.6		786.5
12"	Steel Pipe	1,272.9		1,272.9
12"	Asbestos Cement	361,521.7		361,521.7
12"	P.V.C. Pipe	191,214.2		2,067.8
10"	Cast Iron Pipe	10,356.7	85.0	10,271.7
10"	Ductile Iron Pipe	610.0		610.0
10"	Asbestos Cement	12,763.6		12,763.6
10"	P.V.C. Pipe	4,289.0		4,289.0
8"	Cast Iron Pipe	136,999.9	727.8	136,272.1
8"	Ductile Iron Pipe	32,140.8		1,600.8
8"	Asbestos Cement	711,696.9	274.5	711,422.4
8"	P.V.C. Pipe	557,919.2		10,882.5
8"	Plastic Pipe	318,036.5		318,036.5
6"	Cast Iron Pipe	2,698,555.4	2,250.6	2,696,304.8
6"	Ductile Iron Pipe	21,980.1		55.6
6"	Asbestos Cement	1,048,580.8	4,347.7	1,044,233.1
6"	P.V.C. Pipe	390,393.5		411.1
6"	Plastic Pipe	121,385.5		121,385.5
4"	Cast Iron Pipe	18,988.6		18,988.6
4"	Ductile Iron Pipe	2,094.6		77.0
4"	Asbestos Cement	29,085.8		29,085.8
4"	P.V.C. Pipe	12,301.3		2,700.5
4"	Plastic Pipe	3,237.1		3,237.1
3"	Galvanized Pipe	3,361.7		3,361.7
2"	Cast Iron Pipe	19,323.9		19,323.9
2"	Galvanized Pipe	9,620.0		9,620.0
2"	P.V.C. Pipe	76,467.4		468.0
1"	Steel Pipe	5,346.6		5,346.6
Total Linear Feet		8,431,258.8	9,978.4	20,831.8
Total Miles		1,596.829	1.890	3.945

VALVES				
SIZE	EXISTING IN SYSTEM AS OF 12/31/2011	REMOVED IN 2012	INSTALLED IN 2012	REMAINING IN SYSTEM AS OF 12/31/2012
48"	16			16
42"	4			4
36"	18			18
30"	65	1	2	66
24"	39			39
20"	133	1	1	133
16"	193			193
14"	3			3
12"	2,308	4	4	2,308
10"	65			65
8"	6,562	4	33	6,591
6"	12,936	7	19	12,948
4"	7,130	7	14	7,137
Total	29,472	24	73	29,521

**Table of Rainfall in New Orleans**  
**As of December 31, 2012**

YEAR No.	JANUARY	FEBRUARY		MARCH		APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER		ANNUAL TOTAL TO DATE	ANNUAL AVERAGE	EXCESS OR DEFICIT
		AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL					
1	0.12	6.08	6.20	4.65	5.39	16.24	2.32	18.56	17.79	36.35	9.17	45.52	3.53	49.05	2.50	51.55	3.24	54.79	5.01	59.80	2.11	61.91	5.16	2.56		
110	total	508.42	502.64	1,013.33	571.63	1,584.96	530.01	2,121.93	526.24	2,648.21	617.80	3,274.05	712.06	3,986.11	643.58	4,629.69	628.92	5,258.59	348.70	5,607.29	408.48	6,018.83	512.19	6,528.37		
	avg.	4.62	4.57	9.21	5.20	14.41	4.82	19.29	4.78	24.07	5.62	29.76	6.47	36.24	5.85	42.09	5.17	47.81	3.71	50.98	3.74	54.72	4.66	59.35		
2004	total	3.34	8.10	11.44	0.99	12.43	8.30	20.73	7.38	28.11	10.31	38.42	4.78	43.20	4.18	47.38	1.07	48.45	5.55	54.00	6.08	60.08	2.76	62.84		
111	total	3.46	14.18	17.64	5.64	23.28	13.69	36.97	9.70	46.67	28.10	74.77	13.95	88.72	7.71	96.43	3.57	100.00	8.79	108.79	11.09	119.88	4.87	124.75		
	avg.	0.03	0.13	0.16	0.05	0.21	0.12	0.33	0.09	0.42	0.25	0.67	0.13	0.80	0.07	0.87	0.03	0.90	0.08	0.98	0.10	1.08	0.04	1.12		
2005	total	3.65	9.03	12.68	3.86	16.54	6.48	23.02	4.01	27.03	4.29	31.32	11.62	42.94	14.55	57.49	0.86	58.35	0.08	58.41	1.23	59.64	2.86	62.60		
112	total	7.11	23.21	30.32	9.50	39.82	20.17	59.99	13.71	73.70	32.39	106.09	25.57	131.66	22.26	153.92	4.43	155.35	8.85	167.20	12.32	179.52	7.63	187.35		
	avg.	0.06	0.21	0.27	0.08	0.36	0.18	0.54	0.12	0.66	0.29	0.95	0.23	1.18	0.20	1.37	0.04	1.41	0.08	1.49	0.11	1.60	0.07	1.67		
2006	total	2.60	2.72	5.32	0.25	5.57	3.16	8.73	0.76	9.49	2.16	11.65	8.40	20.05	6.45	28.89	2.94	32.37	3.03	33.37	2.94	35.31	10.55	45.86		
113	total	9.71	25.93	35.64	9.75	45.39	23.33	68.72	14.47	83.19	34.55	117.74	33.97	151.71	28.66	180.37	7.32	187.69	11.88	199.57	15.26	214.83	18.38	233.21		
	avg.	0.09	0.23	0.32	0.09	0.40	0.21	0.61	0.13	0.74	0.31	1.04	0.30	1.34	0.25	1.60	0.06	1.66	0.11	1.77	0.14	1.90	0.16	2.06		
2007	total	4.12	1.81	5.93	1.38	7.31	1.81	9.12	8.51	17.63	4.43	22.06	7.66	29.72	1.64	31.36	4.42	35.78	11.62	47.40	1.21	48.61	4.52	53.13		
114	total	13.83	27.74	41.57	11.13	52.70	25.14	77.84	22.98	100.82	38.98	139.80	41.63	181.43	30.30	211.73	11.74	223.47	23.50	246.97	16.47	263.44	22.90	286.34		
	avg.	0.12	0.24	0.36	0.10	0.46	0.22	0.68	0.20	0.88	0.34	1.23	0.37	1.59	0.27	1.86	0.10	1.96	0.21	2.17	0.14	2.31	0.20	2.51		
2008	total	6.32	5.64	11.96	2.57	14.53	7.68	22.41	7.76	30.17	6.52	36.69	3.91	40.60	7.77	48.37	7.87	56								

# SEWERAGE AND WATER BOARD OF NEW ORLEANS

## COST OF OPERATIONS IDENTIFICATION PROGRAM BENCHMARKING 2012

### ADMINISTRATIVE SERVICES DEPARTMENT

#### Insurance Cost per Employee:

Workers' Compensation	\$	1,248.00
Auto Liability	\$	225.93
General Liability	\$	83.58

### ENGINEERING DEPARTMENT

Total Capital Program Design and Construction Contracts Cost Growth		6.8%
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### ENVIRONMENTAL DEPARTMENT

Cost of Typical Industry Sampling Event	\$	784.59
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### FACILITY MAINTENANCE DEPARTMENT

Cost to set 5/8" water meter	\$	94.59
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### MANAGEMENT SERVICES DEPARTMENT

#### FINANCE:

Cost to Process a Miscellaneous Invoice	\$	39.10
Cost to Process a Vendor Invoice	\$	12.47
Cost to Process a Paycheck	\$	6.25

#### INFORMATION SYSTEM:

Cost to Image a Document	\$	0.32
Cost to Retrieve a Document	\$	0.49

#### PERSONNEL:

Cost to Hire an Employee	\$	164.86
Cost to complete a Voluntary - Employee Termination	\$	19.85
Employee Turnover Rate		8.67%
Cost to Train an Employee	\$	235.71

#### PURCHASING:

Cost to Process a Sundry Purchase Order	\$	47.89
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#### REVENUE:

Cost to Read a Meter	\$	1.28
Cost to Render a Bill (Less Meter Reading)	\$	0.86
Cost to Manage a Customer by Phone	\$	1.77
Cost to Manage a Customer by Mail	\$	0.47
Cost to Manage a Walk-in Customer	\$	5.01
Cost to Process a Mail-in Payment	\$	30.90
Cost to Process a Walk-in Payment	\$	6.91

### SUPPORT SERVICES DEPARTMENT

Average Annual Maintenance Cost	\$	2,000.00
Per Piece of Equipment		25%

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